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# ***JPRS Report***

## **Near East & South Asia**

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# Near East & South Asia

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26 April 1991

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## REGIONAL AFFAIRS

### Report Describes Impact of War on Region

91AE0294B London AL-SHARQ AL-AWSAT in Arabic  
2 Mar 91 p 5

[Text] London-Paris—A report prepared in Beirut discloses the magnitude of the great menace that has afflicted all Arab action formulas and unification propositions, from unity of ranks, unity of purpose, Arab solidarity, and Arab integration to full Arab unification and federation. All of this happened not only because Iraq, specifically Saddam Husayn's regime, annexed Kuwait by force, but also because Iraq persisted in this grave historical error, and consequently incited the war, which left behind destruction not only in Iraq and in Kuwait, but also with regard to all Arab aspirations that had been destined to develop, grow, and become rooted with time, whether in the framework of the Arab League or in its complementary frameworks, the Gulf Cooperation Council, the Arab Cooperation Council [GCC], and the Arab Maghreb Union [UMA].

This great menace threatens Arab unity organizations, parties, and movements, and it is generating conflicts among and within them, making them victims of the private "battle of Saddam Husayn," which he is waging in Iraq and by means of Iraq at the expense of Iraq and the Arabs alike.

The report was prepared in the context of preparations for "Arab Unity Year," which had been announced for 1991. The report's preparation did not escape the contradictions made evident by Saddam Husayn's ongoing war. The result was the drafting of this study, which divests that war of any unity proposition, inasmuch as Saddam's war has been against these very propositions. The study highlighted many points, the most important being:

- Saddam Husayn's war in Kuwait and Iraq has struck at the foundations of all forms of Arab unification action, be it full Arab unification, unity of ranks, unity of purpose, or Arab solidarity.
- Saddam Husayn's war struck a blow against the Arab League, the only Arab, political, economic, military organization that has maintained its ground for a half century as the practical symbol of Arab unity.
- The new frameworks for Arab unification action were not spared Saddam's war. The Arab Cooperation Council [ACC] collapsed, the GCC was struck by confusion but maintained its ground, and conflict struck the UMA's positions.
- The most dangerous development is that Saddam's war in Kuwait and Iraq toppled the moral guarantee that has governed Arab relations. That guarantee protected a small Arab state from the aggression of a large Arab state. Its demise opened the entire Arab region to fear, which has begun to justify the search for both Arab and international security formulas for the postwar period, given the impotency of Arab League security formulas.

Saddam Husayn's war struck a blow at the development process in numerous Arab societies, which were moving toward modernization and a type of integration, whether bilateral or collective.

### Damage to Foundations

The study was divided between these main five points and other points. One point concerns the blow struck against foundations. The logic of elimination, pulverization, and annexation practiced by Saddam Husayn against Kuwait, the crushing of Kuwait's political, human, and economic existence, if only for a period, and the Iraqi regime's annexation of what remained of Kuwait—this logic struck a blow against the numerous foundations that have been established for any unification or Arab federation.

Saddam's war has destroyed the foundations of any form of unity. All formulas for unity, whether unity of ranks, purpose, and destiny, are tottering. Even the Arab countries that currently support Iraq are not in its ranks and do not share its destiny, inasmuch as all of the Arab countries have rejected Iraq's annexation of Kuwait and the threat it posed to another Arab country, namely Saudi Arabia, to the extent that several Arab countries sent their military forces to defend Saudi Arabia against the Iraqi threat. This of course demonstrates Saddam's threat to, and moreover practical and theoretical overthrow of, the foundations of unified Arab action.

### Arab League Also Struck

Evidence of the degree to which Arab relations have been destroyed by Saddam's war is perhaps best seen in the damage suffered by the Arab League. This of course serves Israel theoretically, after having served it practically. It presents Israel as having a legal claim in a region whose holders fight each other over it to the death. If the Arabs differ over their rights among each other, how can they dispute the right claimed by Israel to a part of that Arab region?

### Complementary Formulas Collapse

Complementary unity and cooperation formulas were not spared the Arab League's fate. The report states that the ACC, which included Egypt, Iraq, Yemen, and Jordan, was the first victim of Saddam's war. The ACC was discredited as a formula, insofar as its regulations stipulate that it shall be a unification to serve the interest of its member countries and the interest of Arab League member countries. Its regulations also stipulate the preservation of Arab security and the supreme national interest. Saddam's war discredited and toppled the ACC. The ACC might have continued to exist, despite Egypt's opposition to Saddam's war, with a majority of its members, Iraq, Yemen, and Jordan. However, the very formula on which the ACC's establishment was based was dealt a blow, because how can a country such as Jordan, despite its current, positive attitude toward Saddam, trust Saddam and his regime in the ACC's framework after Iraq invaded a neighboring country that



is a member of the Arab League? Then again, after Egypt alone took a position against Saddam's war, the ACC could have taken some action to solve the nascent crisis. But nothing of the sort happened, because the ACC's formula collapsed with Saddam's war.

Even the UMA was not spared Saddam's war, as indicated by the conflicting positions on the war held by its five member countries, Algeria, Tunisia, Morocco, Libya, and Mauritania. Their differences are mirrored by the UMA's inability to convene a summit conference which it had scheduled for February 1991. Even the UMA countries' new, collective initiative, which calls on the Security Council to examine the crisis, was advanced to cover the incompatibility between their positions. That initiative calls only for a discussion, because the five countries lack a formula for action, after Saddam closed the door on initiatives undertaken by the leaders of Algeria, Libya, and Morocco, despite their sympathy with some of his positions. The five countries have thus been unable to maintain a unified position on Saddam's war.

It seems that the UMA has been ineffective in this Arab-Arab crisis, because of what the report calls the "curse" of Saddam that afflicted it.

### **The Collapse of the Moral Guarantee**

In addition to all of these events, it has emerged that the guarantee which the Arabs had among themselves was at most a moral Arab guarantee. Without it, every Arab state, large or medium, could act aggressively against a neighboring, small Arab state! The examples are many. However, a moral guarantee has prevented such aggressions. Nonetheless, Saddam's war destroyed this guarantee. Kuwait was not protected by its army, but rather by an implicit, Arab, mutual understanding that an aggression committed by an Arab country against another Arab country could not be considered. This implicit, assumed, Arab, mutual understanding is based on moral foundations that characterize the Arab character, all of which Iraq toppled by waging a war against Kuwait.

An Arab mutual understanding and an Arab moral guarantee both rest on a long history of joint, united, Arab action. Saddam's war toppled this mutual understanding and moral guarantee, transforming the Arab region into a jungle in which survival is to the fittest, not to the ethical.

From this springs the international propositions that address the postwar phase for the purpose of establishing arrangements to prevent a repetition of "Saddam's war," especially since the region cannot tolerate such a repetition due to its strategic and economic importance.

The report states that Saddam's disregard of the Arab pact and the collapse of the pact presented the Arabs as if they were in a new age of ignorance [i.e., pre-Islamic

times] and could not be responsible for themselves, thus discrediting all unity propositions before the entire world.

After events in Kuwait and Iraq, the minimum that the world will accept is Arab participation in international arrangements to guarantee the Arab region's security. This, after the Arab world had seemed to have developed beyond its initial stages and to no longer require advice or protection, only to suddenly be threatened by itself.

### **Development Progress Hit**

An important point in the report is that Saddam's war struck a blow against the development process toward modernization in a number of Arab societies. This process, which facilitates the establishment of a type of integration, applies to all of the Arab countries. It has increased the rate of social opening within each country separately and between countries, insofar as many laws have been amended to lighten mutual estrangement and regional isolation, customs laws have been amended, the movement of Arab goods between countries has been facilitated, and many laws have been enacted to facilitate the movement of Arab manpower between the Arab countries and its stay in them. An exchange of wealth has also begun, albeit on a limited scale, due to the financial transfers that have been affected within the Arab region.

The report indicates that an economic formula had begun to take shape between the Arab countries based on the rich countries providing loans and aid to the less rich countries. In this way, a number of Arab-Arab joint projects were implemented.

As for now, given Saddam's war and its aftermath, the Arab-Arab situation in this regard will be characterized by wariness and fear to the extent that this development toward a mutual opening among the Arabs will decline, as most Arab countries move toward a kind of introversion and withdrawal.

All of this is because of Saddam's war, which has threatened all Arab unity formulas, including their existence and resulting advantages, which have extended to all Arabs.

The report states that efforts must be made, regardless of the end of Saddam's war and Saddam himself, to eliminate the war's threat to Arab unity and solidarity formulas, because there is no life for the Arabs without these formulas, with the understanding that these formulas are to be governed by Arab morals based on true respect for Arab peoples and countries. Arab unity or Arab solidarity can become rooted and succeed only through everyone's cooperation and generosity, far from any quashing, invasion, or aggression.

### Editorial Describes OPEC as Failure

91AA0245B Cairo AL-AHRAM AL-DUWALI in Arabic  
10 Mar 91 p 7

[Text] There are growing expectations that the OPEC states will reach an agreement on production quotas during their meeting in Geneva on 11 March. These expectations have been reflected in an increase in the price by between \$0.50 to \$1.50 per barrel. The organization's benchmark price, \$21 per barrel, can no doubt be defended. The problem, which has existed since late 1982, is that any surplus in supply resulting from the violation of the quota regime inevitably leads to a drop in prices. Efforts made by the main consuming countries, including the establishment of an international energy agency to coordinate their oil policies, feverish efforts to discover and extract oil from regions and non-OPEC countries, and the accumulation by governments and companies of a large strategic reserve—all of these efforts were crowned with success upon the transformation of the world oil market into a buyer's market instead of a seller's market, which it was between 1974 and 1982. In light of these circumstances, price has become a given in the oil markets in relation to OPEC, instead of being set by OPEC. OPEC has no doubt failed in a number of previous tests regarding the establishment of its credibility, inasmuch as the price fell in 1986 to less than \$10 per barrel. OPEC's failure, especially under the sensitive circumstances being experienced by the Gulf region (the world's largest oil-producing and -exporting region), perhaps contains the end of the organization, which has fought long, and sometimes managed, to give the impression that its members are Third World countries which produce primary materials and are capable of taking a stand vis-a-vis consumer countries in determining the price that they want for their commodities.

### PALESTINIAN AFFAIRS

#### West Bank View of Causes, Outcome of Gulf War

91AE0312A Jerusalem AL-BAYADIR AL-SIYASI  
in Arabic 2 Mar 91 pp 9-10

[Unsigned article: "Secrets Behind Iraq's Decision to Withdraw From Kuwait; Decision Preserves Iraq's Deterrent Capability"]

[Text] Analysts of all political persuasions feel that Iraq's invasion of Kuwait was not so much to occupy that country as it was to bring to a head the unjust hidden war that was being conducted against it. This view reflects the position Iraq declared as its army first entered Kuwait when Saddam Husayn announced that he would withdraw within three days and that this was to serve as a lesson to the al-Sabah family. However, the escalation of the political war being waged by the American administration against Iraq drove Saddam Husayn to demonstrate his country's independence of the West by provoking a convulsive situation.

Likewise, Iraqi leadership awareness that Iraq and its industrial accomplishments had been targeted long before August 2 was a decisive factor in convincing it to make no attempt to bring Kuwait under its authority for good, and to that extent it considered its declarations on the subject to be one method of confronting American political escalation.

This understanding underlies the August 12 initiative calling for the implementation of all Security Council resolutions related to the region and confirms Iraq's strategy in declaring the full annexation of Kuwait with the exception of certain border claims.

In reviewing the transformation from political crisis to military mobilization and maneuvers which began on the pretense of protecting Saudi Arabia, then later moved to the liberation of Kuwait by overthrowing Iraqi rule, Iraq had no choice but to attempt to defend its accomplishments while at the same time trying to resolve the crisis peacefully. This reinforced Iraqi conviction of the need to avoid going to war with coalition forces over Kuwait and to avoid leaving its facilities to the mercy of coalition firepower, while maintaining a military presence in Kuwait that was merely symbolic when compared with its true capabilities. There is much evidence of this, including the following:

1. Failure of the Republican Guard to enter the war taking place on the Kuwaiti front in any form and the reinforcement of its positions to defend Iraq's real borders. In spite of the talk of segments of these forces heading to the south, the initial days of the war recorded no clash involving Republican Guard forces.
2. Iraq's withholding advanced mechanized divisions from the battle and the participation of units which those who observed the succession of coalition military communiqués said were more like reserve force units.
3. Although the possibility of Iraqi air force participation in the battle was relatively open, this weapon was kept in the rear lines.

Because of covert American objectives, Iraq worked primarily to organize its military capabilities to foil the principal goal of the conflict, which was to strike at Iraq's authorities and accomplishments.

If anyone asks why Iraq [first] refused to withdraw under American pressure, but now has decided to do so, the answer is to be found in the conviction of Iraqi officials that Security Council resolutions and American demands were directly designed to humiliate Iraq before entering the war and that these details are linked to the actual coalition objective of disarming Iraq.

Now that it is clear to all that Iraq is able to remain steadfast in the face of the fiercest air bombardment in history, its peace initiative offers a means of opening the way for other international efforts seeking a cease-fire and withdrawal from Kuwait.

And that is what happened. The Iraqi initiative encouraged Iran and the Soviet Union to present initiatives, the most important being the latest initiative of the Soviet Union which includes:

A. A ceasefire

B. Iraqi withdrawal from Kuwait on the basis of Security Council Resolution 660

C. A move toward an international organization to settle the region's problems

Coalition countries, headed by the United States which declared its intention to destroy Iraqi power, rejected [the initiative], thereby arousing world indignation at the American position.

As the ground war grows more serious, Iraq finds that continuing the war means it is being drawn into the objectives the United States committed all its power to achieving. Hence the core of the struggle has moved from the issue of humiliating the coalition countries to the preservation of Iraqi military power because Iraq is certain that the real battle is not in Kuwait. Despite the painful blows Iraq inflicted on coalition forces and its ability to remain steadfast in battle for long months, the belief that it should not make war for the sake of war drove it to respond to the efforts of the Soviet president calling for a ceasefire and immediate withdrawal from Kuwait. Likewise, other most important factors that led Iraq to respond are the following:

1. United States insistence on war. Adoption of a peace strategy during wartime reflects a position of strength and refutes the American position.

2. Iraqi forces fighting in Kuwait, who know they did not come to Kuwait as occupation forces, are unwilling to martyr themselves on its behalf. This has motivated Iraqi forces to trust leadership demands for a ceasefire and the principle of withdrawal.

3. Kuwait's character as a multinational hotel whose residents belong to many nations and creeds made it easy to penetrate with agents and infiltrators. In addition, the lack of cohesion between the Iraqi army and the Kuwaiti people lowered the morale of the army when it found there was nothing important in Kuwait to fight for.

4. Iraqi fear that Turkey and Syria would open a new ground front on its northern and western borders.

As a result, the Iraqi leadership decided to take advantage of international politics to foil the American war strategy by accepting Security Council demands for an immediate withdrawal from Kuwait in exchange for a ceasefire and a guarantee of safety for the withdrawing army. The Iraqi decision to make an immediate withdrawal was timed to coincide with the Security Council meeting which is discussing the situation on the basis of a Soviet request, so that stubborn American insistence on war will collide with the very international legitimacy

America claims authorized it to carry out its security role in the Gulf, which may create a new international isolation.

Based on this look at the objectives of the United States in this war, it [can be expected to] place many obstacles in the way of Soviet suggestions, thus making it virtually impossible for the Security Council to play its true role, just as it has done on past occasions in the expectation that the destruction of Iraqi forces in Kuwait will achieve part of its objective to destroy the Iraqi military machine and create many internal difficulties for the leadership, since the result would be a military error for which Iraq's political leadership would have to suffer the consequences.

But if the United States rejects the Soviet proposal and will not respond to Iraq's decision to withdraw there could be a serious escalation in the military situation and provoke Iraqi forces in Kuwait in such a way that Iraqi leaders are forced to abandon their present strategy and concentrate their military efforts on the battle for Kuwait, with all that phrase implies. This could open the way for the entry of ground forces into Iraq across the Turkish border and the landing of paratroop units to strike at its heart to finish it off politically and militarily.

This situation is tailor-made for the Turkish leadership. [President Turgut] Ozal recently declared that he is not convinced that anything will have been accomplished if Saddam Husayn's regime does not fall, a viewpoint he shares with the regime languishing in Damascus.

The Gulf war remains the strangest war in contemporary history in the sense that the analysts do not have the battlefield facts at hand and have to derive their expectations of the outcome from outside the military effort of the parties to the war.

The latest Iraqi position is thought to be the last chance to prevent a bloodbath in Kuwait that could also include large areas of Iraqi territory if America rejects a ceasefire.

Actually, the Soviet Union and Iran are not expected to take any significant steps at this stage contrary to the allies' battlefield effort, since the United States is going to extraordinary lengths for that very purpose to enable it to strike more than one bird with the missiles it is dropping to destroy Iraq. If the first American objective is realized, the new objection to the Soviet proposal will amount to nothing less than the absolute expulsion of the Soviets from the region. This is something which conservatives and military officials in the Kremlin may be silent about, but not for long. Hence the attempt to change political authority will run headlong into an internal civil war fueled by the United States, while Moscow completely drowns politically and militarily in its domestic swamp.

Moreover, Iran will have only two options. They are:

First, to submit to American orders, melt into the identity of the new world order like Pakistan, and throw away the slogan "neither East nor West" in exchange for the slogan "Islamic-American Iran."

Second, to expose itself to what Iraq received. Some weeks ago, James Baker warned every nation, including Iran, against attempting to imitate Iraq and follow an independent path.

From the foregoing, the Iraqi decision to withdraw is clearly justifiable in keeping with its commitment to the Arab masses' objective of preserving a strong Iraq capable of speaking to the world in a loud voice concerning the issues of the Arab region and the rights that have been oppressed in more than one part of this large homeland.

## ALGERIA

### PUP Accepts Party President's Resignation

91P40232A Algiers AL-SHA'B in Arabic 25 Mar 91 p 5

[Text] Khenchela, APS—The National Executive Office of the Algerian Popular Unity Party [PUP] has accepted the resignation recently submitted by party President Rachid Ben Zaim. This comes from a statement submitted to APS.

The statement said that the Executive Office had officially consented to the resignation after discussion by its members. Mr. Rachid Ben Zaim had recently submitted his resignation from the party for reasons of health which prevented him from carrying out his party activities and keeping up with events.

### PSL Rejects Government, Previous Elections

91P40237A Algiers AL-SHA'B in Arabic 30 Mar 91 p 3

[Text] Algiers, APS—In a statement issued late last week, the Social Liberal Party [PSL] reaffirmed its opposition to the concept of the latest legislative elections and [sought] the president's resignation as a logical result of dissolving the National People's Assembly. [The statement says that] this idea appears in a number of parties' programs.

[The statement adds that,] "After today, Algeria, for which we strive and which we hope to build up, will never accept the National Liberation Front, and no other party is coming forward wanting to take its place. Thus, the domestic hegemony that lasted throughout the era of minority rule and that cannot be allowed to return is being extended."

In this statement, the PSL called on [Algerians] to clothe [themselves] in wisdom in order that, under the best possible circumstances, they may reach an era of democracy.

### APUA Welcomes Election Law Changes

91P40236A Algiers AL-SHA'B in Arabic 1 Apr 91 p 3

[Text] AL-SHA'B—Following the National People's Assembly approval of the bill to amend and perfect the electoral law, the executive office of the Popular Association for Unity and Action [APUA] submitted a copy of a statement to AL-SHA'B. The statement begins by congratulating the legislators for their spirit of responsibility and for concluding this bill, and adds that it will allow the broad masses to practice open, responsible democracy in the coming elections.

### Renewal Party Announces Election Strategy

91P40243A Algiers AL-SHA'B in Arabic 7 Apr 91 p 3

[Text] Algiers, APS—The Algerian Renewal Party [PRA] has decided to make it clear that it will be present for the electoral battle and will seek votes in the first and second rounds [of balloting]. If the PRA does not reach the second round, it will then seek votes for the opposition candidate who achieves the best results.

## EGYPT

### Political Leaders Discuss Lessons From Gulf War

91AA0237A Cairo AL-AHRAM AL-DUWALI in Arabic 2 Mar 91 p 9

[Article by Muhammad Yusuf al-Misri: "Party Leaders Discuss Gulf War Lessons; Democracy in the Arab World Ought Not Continue to be Delayed; Arab Common Market Urgently Needed"]

[Text] There is devastation in the Gulf, and in the souls of the Egyptian people. This is an extremely complicated and pervasive tragedy, all of it closely intertwined, which poses a question to Egyptian politicians about the future. Shall we continue to move toward the future with the same principles and precepts that have governed the Arab mind, and which have resulted in the occurrence of this dreadful tragedy? Or, will this tragedy achieve what Arab statesmen, emigres, and political party leaders hope for? Have they learned the importance of the lessons with regard to this future that others are fashioning, and which the Arabs are watching and being consumed by?

AL-AHRAM AL-DUWALI talked with certain Egyptian political party leaders about their views concerning the events of this crisis, and the lessons learned from it. Those political party leaders' views follow.

In general, one can say that a climate of deep sorrow and confused anger dominates Egyptian political life, both among those who supported the coalition, and those who wished to solve Arab problems by means of Arab actions, without recourse to foreigners or seeking their help, especially since memories of those foreigners in the region are not good, as Sa'd al-Din Wahbah, one of the leaders of the ruling National Party, remarked. Egyptian



political party leaders talked to AL-AHRAM AL-DUWALI about the most important lessons that the Arabs ought now to be aware of, in the wake of this devastation and destruction in the Gulf region, a region of Arab wealth.

Wafdist leader Yassin Sarraj-al-Din said that the first lesson was the lesson of democracy. It began to become clear during this tragedy that the absence of democracy in Arab countries creates monsters that crush the people under their feet and live on blood and bones.

He said that the second lesson concerned the huge gains that Israel has reaped from this war, both because the image of the Arabs has now become one that will require many years to rectify in the eyes of others, and also because Israel has been able to prove that it is a weak country and, therefore, requires the consideration and attention of public opinion.

Yassin Sarraj-al-Din touched on the third lesson, saying that it concerned the insane positions and conduct of Iraq's leaders and the repercussions of this on the Palestinian issue.

World public opinion had begun to turn in sympathy with this issue, especially the Palestinian intifadah, and the gains that Israel has reaped would not even now equal that, except for the positions of Iraq's leaders which, while not terminating this issue, have at least set it back scores of years.

Yassin Sarraj-al-Din went on to say that the war's results will be reflected on Arab armies, in terms of size and weapons that others supply to them. It is a certainty that another power, like Iraq's smashed power, ought not to exist again.

In addition to all these lessons, there are the billions of dollars that have been consumed in the furnace of war, when they could have been used for comprehensive Arab development.

As regards the final lesson that the Arabs ought to learn, it concerns the need for Arab leaders to distance themselves from maneuvers, and to have principled positions. They supported Iraq against Iran, and then turned around and fought Iraq alongside the nations of the coalition. There must now be principles of justice, right, and honor, because these political maneuvers do not deceive intelligent people.

### **The People's Will Instead of One-Man Rule**

From Yassin Sarraj-al-Din of the Wafd Party, we turn to Counselor al-Ma'mun al-Hudayni, a prominent leader in the Muslim Brotherhood and in the coalition parties. He told AL-AHRAM AL-DUWALI: "I believe that the calamity of the Arab and Islamic nation basically stems from the absence of human rights, and the lack of freedom of opinion. Existing governments do not spring from the people's will and, consequently, there is no

participation in the decisionmaking process. Moreover, the people are unable to bring governments to account or to change them peacefully.

"If these characteristics represent the truth of the Arab political situation, then they point to the phenomenon of one-man rule. The rulers in this class of people govern until death; over the centuries, one-man rule has demonstrated that it provides the Arab nation with perilous situations.

"As a Muslim, I can say that the fall of Muslims—great and small—is in accordance with God's will, and is the basic condition supporting Muslims with God's help. I see all other efforts as poor ones that will come to naught."

He laughed, saying to al-Hudayni that God supported the Americans with His assistance, but they are by no means Muslims! Counselor al-Ma'mun al-Hudayni replied that non-Muslims have this world, but with regard to Muslims, it is different. They are only victorious by adhering to the true religion; that which is allowed is clear, and that which is forbidden is clear, and there is no dispute among Muslims regarding the fundamental questions.

Al-Hudayni went on to say: "In the Islamic nation, the only legitimate ruler is the ruler whom the nation chooses by true will, and to whom it pledges loyalty through free will to administer God's law. He is responsible for the nation, and Muslims owe submission to other rulers only if they are forced to."

Al-Hudayni concluded by saying: "The Arab nation is fragmented, and we must think as to whether this division tells us that 'God will not change what has come to pass, until they change what is in their hearts.' We must work intelligently to achieve that which will serve the people without straying to the right or without falling to the left."

From the Wafd Party and the coalition, we turn to the leftist National Progressive Unionist Grouping [NPUG], whose spokesman is the secretary of the Public Relations Committee, Husayn 'Abd-al-Raziq, who stated that there are a number of real lessons to be learned from the Gulf crisis, and from the war that brought destruction and devastation to that region.

1. One cannot achieve any economic, social, or democratic progress, nor can one achieve national or unionist action, under the aegis of subservient or dictatorial regimes.
2. What happened—very briefly—was the breakup of the Arab nation, as a result of the governments' inability to solve their problems and society's problems. They resorted to a search for solutions by asking foreign powers for assistance, and sometimes by means of some of them attacking others.
3. It is impossible to deal with any of the region's problems honestly, so long as the independence of Arab

countries is achieved through foreign powers, nor can true democracy be achieved in any Arab country. Consequently, mutual Arab action, which advances the mutual interests of the Arab nation toward its goals, instead of the interests of foreign powers or the interests of Arab rulers, is also impossible.

Husayn 'Abd-al-Raziq believes that democracy will suffer from negative repercussions in the Arab states in the near term, on the basis that Arab regimes will face problems with their people, and will resort to the use of traditional weapons on these occasions, including the weapon of repression. However, he says that democracy will flourish—over the medium term—in Arab countries, because there is no other way for the future except democracy.

'Abd-al-Raziq cites as proof of his views the demonstrations that occurred in Egyptian universities last week. He says that they are a natural reaction reflecting the rejection of the foreign presence by important segments of Egyptian society. Moreover, they reject the United States' insistence on humbling the Arab nation, no matter whether the government's positions were for the United States or against it. They also reject the double standard of international law, which is in fact the law of other nations.

With regard to oil interests, there is one law, but with regard to the Palestinian people and Israel, there is another law completely, which takes into account neither principles, nor international law, nor UN resolutions. Naturally, the youth erupted, expressing their rejection of this entire situation.

#### New Arab Mechanisms

From parties of the right and the left, we turn to the Liberal Party, whose spokesman is party leader Mustafa Kamil Murad. He discussed the lessons to be learned from the Gulf tragedy.

1. The Gulf War stressed the need for the Arabs to have a security force. An Arab peace force could defend Arab territory against any invasion from within or abroad.
2. The Gulf crisis stressed the need to establish an Arab economic development fund. One of its most important assets could be a percentage imposed on Arab oil exports of around 5 percent of the value of annual exports.
3. The Arab states should begin to establish democratic regimes at home, in order to ensure the authority of the Arab people in every Arab nation.
4. There is a need to fashion a new system for Arab unity, after the ineffectiveness of the Arab League in its present form was demonstrated with regard to rallying the Arabs. The Arab League Charter was modified so that the decisions could be by majority, instead of unanimous vote.
5. It is important that a mutual defense pact be applied, in order to achieve the security of the Arab nation and

prevent aggression from within and abroad. These forces would then be under a unified command.

6. The establishment of an Arab common market must be expedited. This will help to increase growth rates.

Do you think Arab rulers will now begin to learn from these lessons, or will we continue to move toward the future, propelled by the power of others? Perhaps this is now the question.

#### Adviser Speaks on National, Regional Politics

91AA0253A Cairo AL-AHRAM AL-IQTISADI in Arabic  
25 Feb 91 pp 26-30

[Interview with Dr. Mustafa al-Fiqi, President Husni Mubarak's Secretary for Information and Follow-Up, by intellectuals attending the International Book Fair: "Dr. Mustafa al-Fiqi Fields Questions From Intellectuals at the International Book Fair: 'Egypt's Responsibility After the Gulf Crisis Is Greater Than the Responsibility It Had Before the Crisis';" presented by Samir al-Suruji; place and date of interview not given]

[Text] In this installment of the encounter we had with the ideas of Dr. Mustafa al-Fiqi, President Husni Mubarak's secretary for information and follow-up, we deal with the dialogue and discussion which took place between him and intellectuals visiting the International Book Fair. The discussions which were held at the fair were organized and conducted by Dr. Samir Sarhan, the great thinker and chairman of the General Organization for Books.

Although Dr. Mustafa al-Fiqi will always make the point of asserting that he speaks for himself, he is a man living in a climate in which officials, regardless of their positions, can express their own personal and private opinions. But the string of heated and thorny questions which were fired at him from all political, opposition tendencies made him describe those questions as mines. Nevertheless, he took a shot at all the questions thereby raising the temperature of his face-off with the intellectuals. Such heated face-offs are characteristic of what Egypt has been experiencing, given the fact that freedom of expression in Egypt is guaranteed now as never before in the country's history.

Dr. Mustafa al-Fiqi is one man who believes that dialogue between a ruler and his subjects must continue as long as there is life. He considers such an exchange an acquired right which neither the ruler nor his subjects can confer upon the other.

The text of the exchange between Dr. al-Fiqi and the intellectuals follows:

[AL-AHRAM AL-IQTISADI] How can you set up political circles when restrictions are being imposed on organizing political parties? Are there political parties out

there for average Egyptians? Do these political parties have a real political, economic, or social role to play in society?

[Al-Fiqi] First of all, the existence or absence of democracy is not something which one can determine or measure by the number of political parties. Take Romania now. It has X number of parties. Whether democracy does or does not exist is determined basically by the methods used by these parties every day on the political scene and also by the nature of the difference between these parties. In a country like Britain, for example, there are two principal parties: the Conservative Party and the Labor Party. There is also a democratic movement, a Liberal Party, and other parties as well. But there are two principal parties which have historically held power alternately in the United Kingdom, and we will find that the differences between their programs are real.

In Egypt, if I were to read to you the political parties' programs without telling you the name of the party, you might become confused and you would not know which party I was talking about. All these programs start out by talking about their association with the Arab world. A few socialist expressions are interjected here and there, and affected remarks praising Islamic tendencies can also be found in these programs. Without an objective, unequivocal discussion of what these programs have to offer, we will find that these parties were not able to define clearly the differences in their views. I used to think, for example, that we had one party whose orientation to the Arab world was greater than that of another party. I also thought that we had one party, for example, which believed in Egypt's separate history, a party which expressed a few ideas that were different from Arab ideas. If there were such differences between the political parties we have, we would have been able to put these parties to work for the partisan process itself.

Consider the Israeli model. The Israelis have one framework; that is indisputable. And yet, the measure of pluralism within that framework allows them to put the parties to work and to distribute roles. This is something which we in Egypt have been denied because the political cadres we have are weak and inadequate. It is the subject of our discussion tonight: We do not have people who can lead public activity and act forcefully to steer political parties. But this does not mean that everybody is no good. Not at all. What I wanted to say is that in a few years future generations will have to worry about the lack of capable political cadres who can move these parties into action and steer them in the proper direction. This is not a question of preventing the establishment of parties or of imposing certain legal terms to restrict the establishment of these parties, but it is a question of evaluating existing parties and their ability to differ inside the political arena. It is also a question of creating positions within a national, pan-Arab context which would allow us to talk about a real partisan experience. It is the status quo which is a bitter pill to swallow and not the restrictions which have been imposed on it.

Political parties could have played positive roles in the Arab world and internationally in a manner that the whole world would have agreed about. There are areas, however, about which political parties cannot disagree. These areas, which are called "grey zones," contain matters which are related to each other: national security, national unity, some elements of foreign policy, and the whole world. When an official in the British opposition is abroad and meets a head of state, he would not disagree with the ruling party's point of view. It is something he must not do.

There are other areas, however, in which differences between political parties would be a matter of degree. One party would turn more of its attention to the Arab world; another would turn its attention to western Europe; a third would be more concerned about Egyptian matters; and yet another would turn its attention to joint, secular matters, and so on and so forth. The distribution of roles could have been made in a manner which could have served and enriched the political process. But unfortunately, what happened brought us face to face with partisan newspapers which are not really associated with political parties as the term, political party, is defined in legal and constitutional studies. What happened brought us face to face with political parties that refuse to become engaged in political campaigns and in elections simply because they fear forgery or change. A political party is a movement of struggle which must deal with the facts as they are. It must change these concepts. If, however, a political party were to keep its distance from the facts and ask for guarantees for the future before taking on the challenge, such a political party would be more like a charitable society than a political party. This is quite candidly and clearly my view of the shortcomings of political parties at the present time. They are incapable of creating effective actions within their own organizations so as to offer the country political figures who can carry out political activity in Egypt well into the future.

[AL-AHRAM AL-IQTISADI] The dialogue with Dr. al-Fiqi began then, and questions were fired at the platform. Foremost among these questions was this one: Can you, [Dr. al-Fiqi], give those who are present here and other intellectuals some idea about how information is channeled to the president from various data bases? Can you tell us about the stages at which this information is sorted and advanced until it reaches the president?

[Al-Fiqi] President Mubarak relies on many sources of information that are very broad. This does not allow any one individual or group to become the only source of information for the president. The man learned from the experience of his predecessors in power that monopolizing information in some instances can become a crime against the ruler. When channels of communication become one or limited to a few, the ruler is denied access to the points of view of others, and ideas and opinions can then be affected by the personal opinions and impressions of a few people who are not neutral and have



no national conscience. That is why information can reach President Mubarak from every direction: he can receive information from ordinary citizens, from men in public service, from thinkers, authors, journalists, politicians, and from state information agencies. In this regard I would like to assure the questioner that at the present time no one has a monopoly over the sources of information to the president of Egypt or over the channels which convey information to him.

[AL-AHRAM AL-IQTISADI] Is the problem of Palestine one and the same as the problem of Kuwait? What do you think, sir?

[Al-Fiqi] This is the most serious issue in the Gulf crisis because it would link the major cause of the Arabs, a cause about which no two Arabs will disagree, to another crisis between one Arab country and a neighboring Arab country, and that is a crisis which Arabs do disagree about. How can we link one nation's cause and national hopes, a cause which Egypt had historically adopted as its own and fought for politically and diplomatically, to another matter which resulted from one country's attack and annexation of a neighboring country? How can such linkage be made regardless of the historical reasons which have been given or the allegations that have been set forth? This is an attempt to benefit one party in the Gulf crisis. It is not at all an attempt to benefit the principals in the Palestinian question. The two issues cannot be placed on the same footing. I can indeed understand the argument which states that international standards are indivisible and that aggression is the same everywhere. This is an argument we can set forth, and it is a demand we can make. However, the aim of chronological linkage is to buy time. Quite frankly, chronological linkage is intended to turn the Gulf crisis from an acute condition into a chronic one. The Gulf crisis would then proceed on a course which parallels that of the Palestinian question, and, ultimately, a solution would appear to be out of reach because it would be linked to conditions which cannot be met and which are designed to keep the issue pending for long periods of time. Such thinking does not serve the Palestinian cause and does not serve Palestinians. It does, however, benefit the cause of those who want to buy time in the Gulf crisis.

I agree with you and with the questioner that ultimately the standard for dealing with the different questions of the world must be one and the same, regardless of chronological linkage between the elements of two different problems. You would never say, [for example,] that you would never leave your brother's apartment unless the enemy left your other large apartment. You would be fighting yourself if you did that. An inter-Arab problem will not solve an international problem which involves Arab and non-Arab parties. This artificial superimposition of one problem over another is intended to serve the interests of those who are involved in the Gulf crisis or one of the parties to that crisis. It is not intended to benefit the Palestinian cause or the long-awaited rights of the Palestinian people.

[AL-AHRAM AL-IQTISADI] More appeals are being made these days calling upon Egypt to step aside and to yield its leadership role in the Arab homeland. Should Egypt have given up such role?

[Al-Fiqi] Leadership roles, as I told you, can neither be faked nor made up. You do not make yourself an older brother. Egypt's leadership role is a product of history, geography, and countless educational, cultural, humanitarian, and human factors. This is Egypt's role; it cannot give it up. If there was a group of powerful countries in the Middle East, you would be talking about Iran and Turkey. There is Israel in the area, but Egypt is the only major Arab country which can influence the course of events in the region. If there were a confrontation in the Arab world and the balance of power shifted in favor of a country outside the Arab family, Egypt would have to play an essential role to restore the balance. Many political scholars and analysts talk about the possibilities of a bigger role for Iran, Turkey, and maybe Israel. Accordingly, Egypt would assume a strong political role in the region, and the balance and equivalence which had been lost would then be restored. On the contrary, therefore, I do not see Egypt minimizing or reducing its role in the region. I do not foresee that. Even when Egypt was out of the picture, it was everywhere in the Arab world.

We are, after all, talking about Arab culture, Arab thought, and Arab civilization. We are talking about a heritage that is unique and a character that is distinguished. But we are not saying this because we are Egyptians. In fact, other people are saying this more than we are.

[AL-AHRAM AL-IQTISADI] Is it possible to try letting institutions choose their own leaders in direct free elections instead of having higher-ups appoint those leaders?

[Al-Fiqi] This is what is supposed to happen because there are two standards by means of which leaders are judged: there is the standard of efficiency in political activity and that of popularity. A leader's popularity has to do with how he communicates and deals with the masses. All political parties are supposed to elect their national and local leaders in direct, free elections. Until that happens, however, we are faced with certain cadres, if they are cadres in the true sense of the word. The process of developing cadres is one which calls for a real challenge as well as political education within the party. The programs of political parties have to be unambiguous, and people who are in charge of these programs must be capable of providing political awareness and guidance to others. They must be capable of educating the coming generations and instilling in them a sense of belonging so they can maintain the course of these parties. But the foundation of political activity remains that of using free, direct elections to fill leadership positions in the country's institutions. It is not having those positions filled by appointments made by higher-ups.

[AL-AHRAM AL-IQTISADI] We thank you, sir, for coming to these sessions every year, sessions which open our hearts and our minds every year. What is our present economic system? I ask because our system has no identity. Is it a socialist, capitalist, or a socialist-capitalist system? Is it a free economy or not?

[Al-Fiqi] This is a traditional question which is no longer relevant in most countries of the world as a result of technological progress. Why did the Soviet Union fail? It failed because of the technological revolution against the Soviet Union [as published]. People in the Soviet Union were dazzled by the technological revolution and by the technology in the West. The West got ahead, and the world became one unit. Those who did see the world and did travel everywhere will realize that man everywhere is the same. People may have different dispositions and inclinations, but their instincts and ideas are almost the same. It follows then that differences in economic systems are differences in ways of thinking and not differences in the method used by man to achieve economic gain. If, as we learned, economics is the science of realizing economic benefit, the way to realize such a benefit is well known, namely, to realize the largest rate of national revenue and to maintain the economic situation over the long term. This means that achieving a balanced and an ongoing economy with its various industrial, agricultural, and service sectors can be done only by being open to all experiments. It is not at all possible to rely on a planned economy and on closed experiments. This is what happened in eastern Europe. When eastern Europe opened its windows to the world, we saw its backwardness, and we saw the real chasm between it and the West. But whatever the reasons and explanations for that, we cannot talk about the experiment itself as a result of certain ideas that we have about what is socialist thinking and what is capitalist thinking. Here we are open to all experiments, and we are doing what we can to liberate the national economy so we can move development in its various courses away from bureaucratic restrictions and administrative control. Until that happens, however, we will face long term economic difficulties.

The crux of the problem, as you know, is this: The population in Egypt is growing at rates that are wiping out all our development. Ours is a large country with a large population relative to the countries of the region. The growth of our resources is not catching up with the growth of our population, and that created the economic stranglehold with which we have been afflicted for the past three decades. This is because we do not think about family planning in Egypt early. And we do not because previous rulers were not really convinced about the idea of population growth. We thought that the growth of Egypt's population would be a real asset that would define Egypt's identity and give it prestige among the Arabs. This may be true to a certain extent, but its drawbacks over the long term will be growing poverty. It is growing need which led to the problems and strangleholds which are now troubling us. I wish to assure the

questioner that the Egyptian economy is an economy looking for some kind of balance and stability between its sectors. It has no idols and no ideas which are cast in concrete. We are looking for what is better everywhere, and we are not the only ones doing that. The East embarked on that quest which the West has been seeking. Let us define Egypt's economic identity: Egypt's economy is open to all experiments which would be suitable to it and to its specific characteristics at this stage.

[Question] Is it economic reform or political reform that is getting priority in Egypt? The question of human rights and liberties taught us that combining economic and political reform was extremely difficult.

[Al-Fiqi] Of course we remember that considerable attention was given to average, ordinary Egyptians in the eighties under President Husni Mubarak. Attention was given to facilities used by average Egyptians and to the services they receive. And you know what condition these facilities and services were in in the late seventies. It was not the rulers, however, who were responsible for that, but rather the course of history. There were four wars, many years of social and economic fragmentation, and a process of recovering from a cruel setback which touched the core of people's hearts and souls and shook their confidence. Because of all that the Egyptian economy appeared to be ailing, and it was unable to face the world with its different economic systems, even though a consumer-oriented economy was considered a liberalized economy. Because an attempt is being made to give considerable attention to improving the Egyptian economy, an economic conference was held immediately after the president took office late in 1981 and early in 1982. The economic problem is actually worrisome for the Egyptian ruler because without economic ease political stability cannot be achieved. In fact, I reveal no secret when I say that the problems of extremism, unemployment, negativism, and indifference with which we are afflicted are all natural products of the economic crisis. When we can get the Egyptian economy out of its crisis, we will be looking at a decline in these phenomena. Politics cannot be separated from the economy: Without economic reform there can be no political stability.

Also, economic decisions cannot be made in a vacuum. They cannot be made without taking political factors into consideration. Herein lies the importance of a political cadre in economics in particular. It would be inconceivable for an economist to deal with problems by relying only on printed information which would not let him see the social and political effects of these problems and the power they have over the movement of classes in society. This is something to which the president gives special attention when he reviews all political decisions and their effects on the various classes. Politics and economics are two sides of the same coin. They cannot be separated from each other. Economic reform proceeds on a course that parallels that of the effort to create political stability.

[AL-AHRAM AL-IQTISADI] There is no organized opposition at all in the current People's Assembly. Has it been determined that the opposition's demands will not be met?

[Al-Fiqi] Permit me to disagree with your view of the situation. I maintain that the current People's Assembly is better than previous assemblies, and I hope time will bear me out on this. Why? Because political parties exercise limited control over their members since voters vote for individual tickets. You also know that the fact that individuals can now run for office allowed many intellectuals and educated individuals to throw their hats into the ring in the recent elections and become members of parliament. Third, the fact that the state's neutrality and neutral position became well known allowed independent elements to appear on the scene. It also gave the public confidence in the political process as a whole. I expect the present parliament to have some degree of organized, systematic opposition. Although I do not claim that one particular political tendency will have the upper hand, I imagine that this opposition will articulate approaches to guidance and reform in all matters as a result of the fact that people with different areas of expertise will be serving in the assembly: university professors, physicians, engineers, former officers, and attorneys. I can confidently say that the recent elections attracted for the first time people who had not been involved in political activity at all. That is a positive sign, and it gives us cause for optimism. Regarding the ambiguous reference in your question, let me say that I know what you mean by the six people who are representing one tendency. No one prevented that tendency or any of its individual members from running for office. The fact that members of this tendency chose not to toss their hats into the ring constitutes a waiver of political rights, which are then forfeited regardless of the wishes of those who are entitled to those political rights. Relinquishing the right to exercise one's political rights makes this prelude to democracy superficial and ineffectual, but insisting upon exercising those rights under the most difficult and the most complicated circumstances is the only indication that these rights are being consolidated and will be realized in the future. I blame those who stayed out of the campaign and who for various reasons personally called for not becoming involved in it.

[AL-AHRAM AL-IQTISADI] What is the chance that new parties will be established on the scene? Almost all existing parties support the ruling party. Those that do not, oppose the ruling party in an irresolute manner that lacks thought and a clear-cut identity.

[Al-Fiqi] You may already know that among the members of the new parliament are those who speak for tendencies which do not yet have political parties. For example, those who are calling for parties that are associated with certain stages of their history became members of the assembly when they were elected as individuals before their political parties were established.

Does this not in itself affirm what I said and confirm what I meant? But let me say this regarding your statement that political parties or political tendencies which are not represented under the dome of parliament resort to undeclared activity: parliament is not the only place where one can become engaged in political activity. Who said that it was? Parliamentary activity is legislative activity; it has a specific function, and while it may be the most visible, it is only one kind of political activity. Political activity publicly carried out in all areas, in the press, in the university, in professional associations, and in trade unions, has its effect on the political scene. We must not think that under the dome of parliament is the only place where one may become engaged in politics. People become engaged in politics everywhere. But if you think there are tendencies which have been denied representation, I would tell those who are members of those tendencies that they are the ones who stayed out of the election campaign in an attempt to accuse the political regime of denying them that opportunity. Those who did not stay out of the election campaign, however, opened doors for themselves and for others. They made it possible for others to participate in the coming experiment in a positive way. The fault lies with those people who preferred the party ticket, which is like a magic carpet: it carries people out of the assembly, admits others into it, and allows into the assembly elements who may not be acceptable to the public. But when people run for office as individuals, the focus is on the candidate: on his qualities, his history, his competence, and his popularity. The choice becomes clearer. I would have hoped that members of those tendencies would have run in the election campaign, especially since their presence in the previous parliament did not give the required impression with regard to their active participation. They had an opportunity to serve in this parliament and to correct this impression which their own members have of them, but they chose to stay away, and they did not join in the experiment.

[AL-AHRAM AL-IQTISADI] There is no doubt that Egypt is playing a major role in democracy and political party pluralism. But this democracy remains incomplete. There are political forces and tendencies such as the Nasirists, the communists, and the Muslim Brotherhood, which have been denied legal recognition. What do you think about that?

[Al-Fiqi] I do not claim that perfection [has been attained], nor am I defending the status quo right or wrong. What I do want to say is that there are indeed political tendencies stating that they are not yet represented. It is no secret to you, however, that these tendencies have the freedom to express themselves and, at the very least, they can convey their message to others without going through party channels. I would emphasize, besides, that the possibility for change in a Third World country does not come overnight. I cannot claim that everything is wonderful or that the experiment has been perfect and complete. I mean that we are moving forward on a long road and that much success has been

achieved on that road. What we have, perhaps for the first time in our modern history, is a ruler who is not sensitive about criticism. What we have also is a margin of freedom of speech, and although it may not be ideal, it is, nevertheless, relatively speaking the largest margin of freedom of speech in the region. I can claim that the practice of democracy in Egypt is second to India's experiment in democracy in the Third World. That must convince us that democracy is being realized, and it must call upon us to look forward to what lies ahead and to demand it, but it neither distorts nor in any way undercuts the value of that experiment.

[AL-AHRAM AL-IQTISADI] Young people have many personal and material problems, and that is why Egyptian citizens in general do not participate in political activity. They turn away from political activity in their effort to earn a living.

[Al-Fiqi] I agree with you that unemployment is a threat to future generations in different societies. It worries governments, destroys hope in the future, and turns young people, as I said, into victims of terrorism, addiction, or other disasters which threaten the security of society. This seems to be a vicious circle, and we can stay in it forever unless we have further enlightenment in all areas. But political and economic enlightenment cannot be achieved without political cadres. Who said that all the factors of social acceptance and contentment must be present in political cadres? The opposite of that may be true. It may be that the strength of political cadres and their ability to do public work is determined by their problems and personal concerns. It may be that the possibility of formulating these personal concerns and casting them in a general framework is what makes it possible for these cadres to reach beyond what is personal and affirm what these personal concerns mean to the public in general. That is why different political parties without exception should be asked to consider taking young people in and educating them politically. Professional associations and trade unions should also be called upon to do the same thing, and universities should be asked to do what they can within the margin of cultural and political activity that is available to them. Education and enlightenment are indeed the main goal of universities, but knowledge and enlightenment together will provide long-term support for political education. If true foundations or lasting values are established within a person, political cadres will emerge in time. This is not to say that the goal is being achieved. If this were the case, there would be no reason to talk about this vital issue tonight. We do need, however, to proceed with steady steps so we can allow this country, whose parliamentary and political tradition is the envy of all the peoples of the region, to continue and to survive in the future. If you were to see minutes of the meetings held by the Chamber of Deputies and by the Advisory Council, if you were to see the laws and so on and so forth that Egypt has had for the past 100 years, you would have a sense of this valuable experience and you would feel proud. The course we are pursuing on

democracy parallels that of many nations, especially those of southern Europe. It is time for these hopes to blossom with the future so that the experiment will yield the growth which is required.

[AL-AHRAM AL-IQTISADI] Do you, Dr. al-Fiqi, feel that the opposition has a part to play in the political decisions which are made?

[Al-Fiqi] If it can speak freely. Let us say that democracy is propelled by two driving forces: one is freedom of speech and the other political participation. If freedom of speech is realized, political decisions will be affected. Much counsel and guidance is provided as a result of people expressing their opinions. If you were to compare what is happening in Egypt with what is happening on the scene in many countries around us in the Arab world, you would become convinced that we have made much progress in both areas: free speech and political participation. We did indeed make more progress on free speech, but political participation is by nature a slow and lengthy process connected to the machinery of partisan activity and to the possibility of having serious differences of opinion and taking part in making political decisions. I am not claiming that we have run the whole course, but the mere fact that we have as much free speech as we do gives those who shape political opinions an entire spectrum of many views. This is because everyone who has an opinion can express it. All conflicting opinions eventually rise to the surface, no matter how distant they may be from each other and from the one which is being applied. Freedom of speech, then, did spontaneously guarantee a large measure of political participation which we hope will be achieved in Egypt eventually. In time, we hope that reforming the partisan system will bring about political participation.

[AL-AHRAM AL-IQTISADI] Dr. al-Fiqi, you mentioned at a political symposium that the U.S. invading troops which established control over the Arab region will allow a counter development to take place in the region.

[Al-Fiqi] These troops came originally on a temporary mission, and they must withdraw after they complete their mission. It is quite inconceivable that they would stay longer than they need to stay to complete the mission for which they had come. I want to say quite unequivocally that the person who started the problem is one who made it necessary for these troops to come here. No individual or state, regardless of what one thinks of them, should be blamed for his reaction unless the perpetrator of the action, the one whose action led to the consequences we have today, is also blamed. According to this interpretation we know who called the foreign troops into the area. These troops will be in the area temporarily for a certain period of time to carry out a specific mission. They will withdraw after their mission is completed.

[AL-AHRAM AL-IQTISADI] The political system which Egypt is pursuing is based on multiple parties,



chief among which is the National Democratic Party, which is the ruling party. What was remarkable in the recent elections for the People's Assembly, however, was that citizens were not voting for the majority party. Do you not think that it would have been better for President Mubarak to give up the presidency of the National Party? Do you not think it would have been better for the government to be made up of the parties which won the confidence of the public?

[Al-Fiqi] You could ask a western democracy that question, and you would find that what was required has been achieved. I said quite clearly and for the record that I did not claim perfection [had been attained]. I said that I was not assuming that everything was the best it could be and that everything was wonderful. If I had said that, I would have been misleading you, and I do not mislead others. What happened was a step on the road, and the recent parliamentary elections also represent an advanced step on that road. Everything that I said spelled out hopes for the future which all of us must strive to achieve. I want to say very clearly that democracy is not a grant to be bestowed at any time by a ruler. It is an interaction between average, ordinary citizens and the various democratic and constitutional institutions which can attract as many political cadres as possible so they can participate in public activity. Democracy is also the responsibility of individuals and not only the responsibility of decisionmakers. Democracy is an acquired right, and it is acquired through experience and practice. It is not a grant bestowed by someone in a high position. It is not something we would flaunt day and night. Democracy is a natural right for man.

[AL-AHRAM AL-IQTISADI] Does the president read what is written in newspapers? Does he receive the suggestions citizens make to solve problems? Does he receive their opinions on these problems?

[Al-Fiqi] Of course the president reads everything which is written in the newspapers; and he hears about all the ideas. Sometimes, however, he is the one who does not tell us that the person who controls the regime's capability sees things which we do not see. This means that he would have pertinent information about a certain matter which we sometimes do not have. The author of an article or the proponent of an idea may be unaware of certain pitfalls. National security requirements or reasons which may be unknown to the person who expressed his opinion could be standing in the way of an action. Accordingly, positive ideas and suggestions are carried out. Quite often the president issues orders in response to a good idea, a clear opinion, or a worthy article, and he asks specialists in the various branches to look into the matter, work on its application, and contact the person who came up with the idea. This happens almost every day. The head of state sees, listens, and talks with others. He influences others and is influenced by them. Sometimes, however, we think there is no reaction to something because we may be unaware of

some matters. This happens in many cases, but there is no need to worry in this respect.

[AL-AHRAM AL-IQTISADI] Did foreign troops come to the Gulf because of Saddam Husayn's obstinacy or because foreign forces have ambitions in the Gulf region? After all, they are the ones who control the oil resources. Are Arab concessions to be expected?

[Al-Fiqi] The Arab world represents on the world map a spot which is strategically influential, economically rich, and militarily weak. It is natural, therefore, that all nations everywhere would be attracted and drawn to it. The Arab concessions you mentioned were not voluntary. In many instances, however, such concessions were the product of the interaction of all these forces. Whether we like it or not, we live in the world of superpowers, and we are trying to bring order to this world legally and legitimately so that relations can be pursued in an orderly fashion. This does not mean, however, that there are no centers of power affecting those who are weaker. In many stages of their history Arabs had to offer different concessions because of the conditions which I just mentioned regarding resources, location, and military weakness. Besides, the historical factors which you are well aware of made this region particularly attractive to the superpowers throughout history. This is the destiny of the region. You do not find the same conflict, for example, in some spots in Asia and Africa, but you do find it in the Arab region where resources are tremendous and oil reserves huge. This region also has vital waterways, gulfs, bays, and canals. It is a region which is very influential in today's world because of history and geography. Accordingly, it is natural that others have strong ambitions in this area and that struggles over it would be fierce.

[AL-AHRAM AL-IQTISADI] Would you please explain the five-year plan to liberate the Egyptian economy in 1,000 days?

[Al-Fiqi] This, of course, is not the place to do this. First of all, I cannot explain this clearly to you because I am not an economist. I mean economics on that large level is not my specialty. This five-year plan also involves technical matters which have to do with the public sector and its role. The plan also involves liberating the tools of the Egyptian economy, bringing the two sectors closer to each other, bringing about a balance between returns on capital and investment, and so on and so forth. This could be the topic for another lecture given by a specialist, but this is neither the right time nor the right place for talking about this matter.

[AL-AHRAM AL-IQTISADI] What do you think about the phenomenon of extremism, and what do you think about how it is being confronted in Egypt?

[Al-Fiqi] Extremism is a phenomenon which can be found in the Arab and Islamic regions and which reverberates throughout the world. Extremism means there are people who reject society as it is and who, because of this rejection, attempt in one way or another to change

those who are in power by resorting to means other than those which are legitimate to affirm what they reject. There are reasons for extremism, of course, and these reasons are not only religious ones, as it is always thought when we talk about religious extremism. The reasons for extremism have to do with daily living. This means that they are primarily economic. As I said many times, a young man who is having a hard time, say a university graduate who cannot get a job and who thinks he cannot earn a living, has to take one of two roads. He can emigrate from the country and go to another Arab or European country to work, or he can "drop out" and travel mentally to another time. He would start out by becoming detached from his community, repudiating everything in it, and sometimes rejecting everything that takes place in that community. He would then seek refuge in another time in the past. He may choose to live in the age of Ibn-Taymiyah, Ibn-Hazm, or other Muslim philosophers. He would do this in an attempt to justify his rejection of the status quo and to explain it to himself. Those who "drop out" in this manner need to be taken care of politically and economically. They need the guidance of religion rather than a confrontation with security officials.

#### Writer Analyzes U.S. Dilemma in Arab World

91AA0267B Cairo AL-AHRAM AL-DUWALI in Arabic  
21 Mar 91 p 7

[Article by Muhammad Sid Ahmad: "Which Is More Important to America: Arab Petroleum or Israel?"]

[Text] Bush's latest speech before a joint session of Congress may give the impression that Arab petroleum has taken priority over Israel in American plans concerning Middle East security arrangements.

There is general agreement that we no longer face a "bipolar international order." There is reason to assume that America used the Gulf crisis to test its position in the "post-bipolar world" and proved that, temporarily at least, this order is more unipolar (America) than multipolar.

America succeeded in silencing European objections to engaging in war. The most notable expression of this may have been the resignation of French Defense Minister Chevenement. Japan also yielded to American will and met its request to support the war effort in the Gulf with nine billion dollars. Finally, the Bush administration revealed that Gorbachev has the right to submit initiatives to avoid war, but that the decision to go to war is America's.

By its decisive victory in the war, America also demonstrated that efforts of Third World leaders to rebel will be crushed without hesitation. When, in light of all this, we find the American president announcing the time has come to put an end to the Arab-Israeli dispute and telling the Congress that "America's commitment to peace in the Middle East does not end with the liberation of Kuwait," "the Arab states and Israel stood unified

against aggression." (!) and therefore "this now presents opportunities to achieve peace and stability in the Middle East," it gives the impression that we truly are facing a "unipolar world," and that America will not hesitate to put its particular interests above those of any other party, even those of Israel! This raises an important question: Will Israel or Arab petroleum take precedence in the "security arrangements" which America is about to establish in the Middle East?

First of all, it can be said that petroleum as an economic weapon is more suited to a world whose polar struggle is conducted with economic tools, whereas Israel is basically a military fortress justifiable in a time of confrontation between the two poles of a bipolar world. This would support the assertion that America assigned higher priority to the Gulf crisis—which involved petroleum—than to "Israeli security." This indicates why America described the Iraqi subjugation of Kuwait as "aggression" so dangerous that it mobilized its army to repel it, and why when Saddam directed his missiles at Israel, America refused to characterize the operation as "aggression" and demanded that Israel not retaliate, but show "self-restraint." As soon as Bush admitted—immediately after Saddam Husayn's defeat—the principle of "linkage," it meant that the Gulf crisis (i.e., the petroleum issue) now dominates settlement of the dispute with Israel.

But, naturally, there is the Jewish lobby and its ability to impose its will, even on the American president. Bush may have the support of 90 percent of the American people today, and it may thus appear that Bush is protected against any attempt to undermine his decisions. But we have to be aware that matters can change quickly, and that this lobby is capable—if it feels that Israel is threatened—of creating a Watergate, Irangate, or a similar scandal to undermine the prestige of the president.

The fact is that there are two tests which should be considered crucial in determining whether America is capable of assigning greater importance to the petroleum issue than to Israel. The first, of course, is the Palestinian issue and how to deal with it. In this connection, the key issue may be America's stance towards the PLO which Arab legitimacy has considered to be the sole legitimate representative of the Palestinian people since the Rabat summit of 1974.

However, the PLO's position has been shaken, following accusations of bias in favor of a defeated Saddam Husayn, by the first dispute in which the Arabs have found themselves unreconcilably divided. The "Damascus Declaration," signed by foreign ministers of the six Gulf Cooperation Council states, Egypt, and Syria, came out without containing any reference to the PLO. One of the reasons for insisting on an international conference under UN auspices to resolve the Middle East crisis was to make room for PLO participation in spite of Israel's determination not to deal with it. But now we find that the "Damascus Declaration" describes an international

conference as "an appropriate framework," not "the appropriate framework," for ending Israeli occupation, which means that the eight countries are not insisting on holding the conference. This may mean a search for settlement through multiparty bilateral negotiations supervised solely by Washington, which will just about rule out the PLO.

It should be noted that the PLO is not simply its leadership and whatever mistakes they may have made, but the embodiment of Palestinian institutions and the core of the Palestinian state. Any settlement outside the PLO will achieve Shamir's demand that the PLO fall along with Saddam Husayn, giving Israel the last word in determining the future of the Palestinians.

The second test relates to nuclear weapons. The "Damascus Declaration" demanded the removal of all weapons of mass destruction from the region, specifically Israel's nuclear arsenal. President Mubarak stressed this point in his address to the People's Assembly. The same point was also made in Bush's address before the Congress. The reason Bush raised the issue may have been to protect Israel from the danger, demonstrated by the Gulf War, of exposure to Arab missiles because it has nuclear weapons. Clearly the reason the Arabs raised the issue is because of the distorted balance of power, in general, in the wake of the destruction of Iraq's arsenal.

Bush's address to the Congress is said to contain something new, but does this something new mean that the imperatives of "Arab petroleum stability" now take precedence over those of "Israel's security?" This is the question that must be the focus of our concern as we follow the results of Baker's trip to the region.

#### Liberalization Extends to Public Industry Sector

91AA0323A Cairo AL-AHRAM AL-IQTISADI in Arabic  
18 Mar 91 p 44

[Article: "Liberalization Extends to Industrial Public Sector"]

[Text] While approaching the conclusion of a new agreement with the IMF, what are the steps Egypt has taken to liberalize the public sector?

The main objective of the program to reform the public industry sector is embodied in enhancing the independence enjoyed by the management of public projects and in bolstering the competitive climate in which the public sector projects operate. The Industry Ministry's program focuses on four fundamental areas: the price and subsidy policy, the employment and wage policy, the decentralization policy, and the policy to transfer public ownership to the private sector in accordance with the reform and performance evaluation program prepared by the Industry Ministry.

Regarding the final area, the Industry Ministry plans to transfer a part of the assets of public projects to the private sector by selling the public sector's share of the capital of joint projects set up within the framework of Law No. 230 of 1989. The public industry sector is a partner in 30 joint projects of whose capital it owns a share amounting to nearly 500 million pounds. This measure seeks to boost the securities market so as to increase its transaction volume, to attract to it private sector savings, to increase the private sector's participation in the capital of 20 varied projects set up since the 1950's within the framework of Law No. 97, and to confine new participation in capital ownership to partners from the private sector. The paid capital of these 20 public projects amounts to 750 million pounds. The measure also seeks to sell or lease facilities belonging to public projects by selling small plants or uneconomical production units, by selling assets, such as land, buildings, and basic infrastructure edifices belonging to public sector projects no longer required for the expansion plan, by leasing the unexploited production capacity—production lines or an entire plant—to the private sector, such as leasing the cigarette production lines in al-Sharqiyah Tobacco and Cigarette Company to a multinational company, leasing some soap production plants belonging to the Cairo Oils and Soap Company and the Egyptian Salt and Sodium Company, and by liquidating the projects facing severe difficulties and merging their assets with companies that can utilize their production capacities. An example of this is the Red Sea Phosphate Company's acquisition of the net assets of the Egyptian Phosphate Company. This policy seeks to encourage private sector activity in these areas, to expand private sector ownership, and to boost the securities market.

#### List of Companies Incurring Loss in 1989-90

(Value in 1,000 Pounds)

Number	Company Name	Loss Value in 1989-90
1	Alexandria Shipyard	(30,685)
2	al-Nasr Television	(2,833)
3	Steelworks Engineering Projects(Steelco)	(2,370)
4	Cairo for Metal Products	(6,393)
5	Misr/Hulwan for Yarn and Textiles	(26,795)
6	Cairo for Silk Textiles	(10,863)
7	Egyptian Iron Ingots	(9,466)



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**List of Companies Incurring Loss in 1989-90 (Continued)**


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(Value in 1,000 Pounds)

Number	Company Name	Loss Value in 1989-90
8	Egyptian Lumber	(9,545)
9	National Plastic	(2,285)
10	General Batteries	(10,505)
	Total	(111,741)

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**Public Industry Sector's Accomplishments in 1989-90 Compared With 1988-89**


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(Value in Million Pounds)

Statement	1989-90 Actual	1988-89 Actual	Development Rate
Production	15,953	13,688	117
Total Sales	15,083	13,391	11
Exports	2,244	2,002	112
Profits Disbursable Prior to Taxes	1,033	1,008	102
Number of Workers in Thousand	563	564	100
Wages	2,059	1,844	112
Worker's Average Wage (in Pounds)	3,657	3,270	111
Productivity Per Pound in Wages	7.7	7.4	104
Yield of Ownership Rights (Percent)	13.8	13 Percent	106
Total Value Added to Industry Sector	4,831	4,634	104
Sums Reverting to Public Treasury	3,258	2,776	121
Value of Capital Invested	15,507	13,510	115

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**Statement of Companies Incurring Losses in 1988-89 and Realizing Profits in 1989-90**


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(Value in 1,000 Pounds)

Number	Company	1989-90 Actual Profits	1988-89 Actual Losses
1	Egyptian Metal Installations	438	(2,142)
2	Alexandria Metal Products	255	(3,250)
3	Egyptian Engineering and Equipment	175	(2,126)
4	Egyptian Dairy	748	(9,546)
5	Alexandria Confectioneries	548	(10,613)
6	al-Mahallat Industrial for Silk and Cotton (ISCO)	281	(7,352)
7	al-Nasr for Yarn, Textile, and Tricot (al-Shurbaji)	74	(4,673)
8	Egyptian Financial and Industrial	5,025	(9,585)
9	Abu-Za'bal for Fertilizer	579	(2,964)
10	National Paper	1,282	(4,954)
	Total	9,405	(57,205)

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Source of Tables: Industry Minister's Report on Industry Sector Activity in Fiscal 1989-90

### Maritime Company Proposed With Saudi Arabia

91AA0270B London AL-SHARQ AL-AWSAT in Arabic 18 Mar 91 p 11

[Article: "Egyptian-Saudi-British Maritime Company Operating Between Duba and Safajah"]

[Text] Cairo—AL-SHARQ AL-AWSAT—The Egyptian Public Investment Organization is considering approval of the creation of a joint Egyptian-Saudi-British company in the private sector to establish a maritime link between the west coast of Saudi Arabia and the Red Sea coast of Egypt.

This project will be examined by a meeting to be held by the organization in the next few days under the chairmanship of President Husni Mubarak. Dr. Muhyi-al-Din al-Gharib, chairman of the organization's executive apparatus, has said that the meeting agenda encompasses 80 topics, including 40 new investment projects submitted by Egyptian, Arab, and foreign investors for investment in the areas of industry, agriculture, and tourism.

Dr. al-Gharib said that when the Ministry of Transport approves the new maritime line linking the Saudi port of Duba with the port of Safajah, he expects that executive work on this project will begin next summer.

He noted that establishment of the new maritime line will be preceded by establishing strong links between the Red Sea coastlines of Egypt and of the Kingdom of Saudi Arabia. The line will also permit the construction of more tourist villages and hotels in Safajah and al-Ghardaqah in the style needed by Saudi families to spend their vacations in Egypt.

### Writer Examines Consequences of Gulf Crisis

91AA0267A Cairo AL-AHRAM AL-DUWALI in Arabic 14 Mar 91 p 8

[Article by Lutfi al-Khuli: "Gulf Crisis: Historic Vacuum in Arab Region"]

[Text] The rockets and artillery of the Gulf War are silent. The Iraqi army surrendered with hardly a fight 100 hours after the land battle began, in a manner that was surprising and unexpected even to General Norman Schwarzkopf, commander of the coalition forces. Following stubborn insistence on rejection, the Iraqi regime acquiesced in all 13 Security Council resolutions laying down conditions for a political resolution of the Gulf crisis which has come to define what is termed "international legitimacy." Kuwait has been liberated, and significant areas of southern Iraq are under occupation by coalition forces led by the United States. Political activity—in varying degrees—is under way in foreign capitals and Arab and non-Arab countries to deal with

what could be called the end of the first chapter of the Gulf crisis, represented by the astounding military defeat of Iraq.

My assessment, within the limits of a man's vision so soon after the ceasefire, is that international and regional political activity is operating at three levels.

- Level one: the near term in which Desert Storm allies are competing against one another for the largest slice possible of the Kuwaiti reconstruction pie, and perhaps Iraq's as well. Such competition will clearly loosen coalition ties to varying degrees and of necessity reflect both positively and negatively on the complicated bundle of regional and international relations in the Middle East.
- Level two: involves action ranging from the near to middle term as various international and regional powers intensively discuss, draft, and crystallize plans for the future of Iraq: Continued multi-ethnic unity or partition? Overthrow of the ruling regime or simple removal of President Saddam Husayn from power? What type of replacement regime or new leadership will follow? What will be the popular and political reactions within Iraq and certain neighboring countries, Iran and Syria in particular, and across the length of the entire region with its enormous complexities, from petroleum to the Palestinian implications of the Arab-Israeli dispute, all in the context of the region's political geography teeming with arsenals of biological, chemical, and nuclear weapons of mass destruction and power struggles between the many forms and varieties of conflicting religious, intellectual, and political tendencies.
- Level three: likewise near term, but goes beyond the middle to the long term, best estimated at about the next 20 years. It involves determining the nature, form, content, and mechanisms of what may be called "a new regional order" for both the Arab (countries of the League of Arab States) and non-Arab parts (Iran, Turkey, Ethiopia, and Israel/Palestine, in particular) of the Middle East, and will constitute an integral part of what has come to be known as the "new world order," should the powers that affect our contemporary world agree to construct it on the basis of greater security, justice, progress, and freedom for humanity and the individual. We no longer need to prove an organic link between international and Middle East regional order in the wake of the facts created at the Arab, regional, and international levels alike by the second war of the Gulf crisis.

This may well be due to the distinctive nature of the Middle East when compared to all the other tense regions of the world. After the Second World War and the stabilization of conditions in the troubled European region which had caused the outbreak of numerous regional and two world wars, Europe is today governed by a regional security, economic, political, and technological order known as the European Common Market or European Community.

The distinctive nature of the Middle East that wins it special importance in any existing or prospective world order results from the interaction of a number of factors, three of which we will concentrate on here.

The first factor is that this region, specifically the Arab countries of the Gulf and Iran, has since the 1960's been the richest piece of land in man's history because it holds no less than two thirds of the world's known reserves of "super-strategic" petroleum, (while modern estimates have pushed the figure to 80 percent). It is unlikely that there will be a cheaper viable alternative, or one at even equivalent cost, during the next 20 years. It is thus the primary source of life and progress flowing through the world's contemporary production and consumption structure. As a result this valuable piece of real estate was and continues to be the focus of intense interest and colliding overt or covert world superpower ambitions.

The second factor lies in the region's abstract and spiritual heritage of numerous cultures, civilizations, and ethnic groups which intertwine and conflict with one another at the same time. First, it is the source of Egyptian, Mesopotamian, Persian, Phoenician, African, and other civilizations; the home of the three major revealed religions, Judaism, Christianity, and Islam; and many nationalities, Arab, Turkish, Persian, Kurdish, Berber, African, and the like. To these must be added what Western intellectual political literature call the "Zionist nationalities" that are pressuring Palestinian Arab nationalism through force and racial subjugation in Palestine.

The third factor concerns the [region's] strategic geographic position at the crossroads of three of the four major continents of the world of yesterday, today, and tomorrow, namely, Asia, Africa, and Europe. Two countries belong geographically, politically, and culturally to two continents at once: African-Asian Egypt and Asian-European Turkey. The region fully controls the Red Sea basin, the southern half of the Mediterranean and includes the Persian-Arab Gulf, and reaches southward to the Indian Ocean and northward to the Atlantic Ocean where America, the fourth major continent, lies on the opposite shore. In addition to this, its borders are adjacent to the Soviet Union.

As a result, this region with its unique cultural and physical heritage has been the object of interest and ambitions of various forms of international order since the 18th century, whether in the form of hegemony of the old colonial empires which struggled for areas of influence, i.e., the Ottomans, British, French, Italians, et cetera, or in the post-First World War form represented by the League of Nations which collapsed when it was unable to prevent the Fascist Italian invasion and occupation of Ethiopia, or the current form embodied in the United Nations which is generally ruled by the attraction-repulsion relationship between the combined "specific gravity" of the five permanent members of the Security Council, the United States, the Soviet Union, China, Britain, and France, regardless of the particular

weight of any one of them, and the quantitative weight of Third World countries which control voting power in the General Assembly. The UN, especially the executive branch of the Security Council where the decisive specific gravity of the five great powers is located, succeeded in 1990-91 in confronting for the first time the invasion and occupation by one Middle Eastern Arab country, namely Iraq, of another Arab country, Kuwait, and vanquishing it politically and militarily in the space of seven months. The UN had previously failed to deal decisively with Israel's occupation of Palestinian, Egyptian, Syrian, Jordanian, and Lebanese territory and Turkey's occupation of a portion of the island of Cyprus because the weight of the Security Council's five major countries was ineffective when faced with U.S. use of the veto against any implementing resolution to address the aggression. The UN nonetheless realized partial success in 1988 when the will of the five major countries combined to bring about a cease-fire between Iraq and Iran following their eight-year war. This occurred in a new atmosphere of world rapprochement initiated in 1985 between Washington and Moscow opening the way for what came to be known as building a new world order based on outlawing the use of military force to settle regional or international problems and the mutual recognition by all nations of each other's legitimate interests and the need to balance them.

This internationally troubled historical situation was accompanied by struggles within the region between Middle Eastern countries and forces throughout the period.

These struggles took two courses:

First, struggles between Arab countries, constituting the region's majority, and non-Arab Middle Eastern countries: Arab struggles against the Ottoman Turks for independence; Arab-Turkish struggles after Turkish colonial power ended over control of the region's destiny, be it from a purely Turkish perspective or in the Cold War context of its ventures with the United States and NATO following World War II to build alliances with the Arab countries to encircle the Soviet Union on behalf of the West; old and new Arab-Iranian struggles over issues of hegemony and the vital domain of the Gulf; Arab-Ethiopian struggles likewise involving the right of the Eritrean Arab people to self-determination, and Ethiopia's vital domain with respect to two African Arab states, Somalia and Djibouti; and finally, the Arab-Israeli struggle with its Palestinian dimension which by virtue of successive wars accumulating since 1948 and the expansion of settlement activity constitutes the most dangerous flaming volcano now threatening the region's security, stability, and progress.

These continued struggles have prevented the establishment of political, economic, and security coexistence between Arab and non-Arab countries in the Middle East that could serve as a comprehensive regional order for the area. Cold War conditions and the division of the world into two opposing camps severely exacerbated this

situation, which was further compounded as all the non-Arab Middle Eastern states, Iran, Turkey, and Ethiopia, established diplomatic, economic, political, and occasionally security relations with Israel, "the particular and immediate enemy" of the Arabs.

Nonetheless, mutual attempts were made between the region's Arab and non-Arab countries from the 1960's onward to build bridges of cooperation represented by their common membership in the Islamic Conference Organization, the Organization of African Unity, or the nonaligned movement. However, the relations resulting from these organizations were limited, generally bilateral in nature, and have failed to rise to the level of a group effort to build a regional order for the area. Ultimately, they failed to prevent the outbreak of the Iraq-Iran War and the severing of Iran's relations with Israel when the Shah fell under pressure from a popular Islamic revolution led by Ayatollah al-Khumayni.

Secondly, inter-Arab struggles have taken various shapes and forms and developed into, or perhaps more precisely, alternated between tribal struggles and those involving intellectual trends and related "ideological" political parties, struggles between countries arising after independence, and struggles between this or that number of countries in the various cooperation councils that have been formed since the 1970's to achieve or protect their particular direct interests against potential dangers within the Arab world itself.

Nonetheless, the flow of events in this vast sea of inter-Arab struggles was balanced somewhat when the seven Arab countries that had gained political independence met under a British initiative in the mid-1940's following World War II to establish the framework for a political home that would gather and distinguish them within the Middle East context. Through this initiative, Britain sought to remedy the postwar decline of its regional influence in the face of French influence in the Arab Maghreb countries and growing American power, and to ensure implementation of Balfour's promise to establish a homeland and state for Jews in Palestine. This political home took the form of what came to be known as the "League of Arab States" whose membership continued to expand until it included all the countries of the Arab East and the Maghreb after they gained political independence.

Not long after its birth, the League of Arab States was able to achieve a relative degree of independence from British hegemony and objectives under pressure from the national liberation movements that broke out in the Arab arena, and thanks to the anticolonialist national leadership in the person of the League's secretary general, the Egyptian Arab freedom fighter 'Abd-al-Rahman 'Azzam Pasha, who led the League and its members of that time into its first battle against British colonialism in Libya.

In the course of nearly half a century, the Arab League has made some accomplishments in support of liberation movements in the Arab Maghreb and in unifying certain legislation, but it has utterly failed at a unified Arab confrontation of Israel and Zionism or to implement agreements on economic unity, an Arab common market, and joint Arab defense. Basically, this is due to the nature of the League's membership structure and the shortcomings of its charter in the face of threats. As a result, the League has remained a prisoner of inter-Arab struggles, giving every Arab regime the ability to override it, whether legally or illegally, and unrestrained liberty to disregard its resolutions.

Thus, while the Arab League has come to represent the "Arab order" in the Middle East region because all Arab countries are members, in reality it remains an order in form only, lacking effectiveness at every level, be it Arab, regional, or international. Every Arab country is determined that its sovereignty be total and more powerful than the will of the entire League and its resolutions and refuses to relinquish any part of its sovereignty as a means of endowing the League with the vitality and potential needed to transform it into a genuine regional Arab order with a distinctive nationalist dimension.

For this reason we have seen that every venture or attempt to construct a regional Arab nationalist order has occurred outside the League of Arab States as an act of regimes or leaders who sensed, objectively, personally, or in combination, the power and the responsibility to build and impose it single-handedly either through military force or the power of the masses supporting the ideas and person of this or that leader at a given historical moment.

The first such venture came with Egypt's July 1952 revolution led by Jamal 'Abd-al-Nasir which gained tremendous nationalist weight after he nationalized the Suez Canal and stood up to the tripartite aggression of 1956. The heart of this venture to establish a regional Arab nationalist order lay in the Egyptian-Syrian unification of 1958 that collapsed in 1961 because of Syrian and Arab world separatist activity opposed to it and because the unification structure lacked a democratic base, relying solely on excessive confidence in the historic leader's personality.

Successive ventures to construct an Arab order outside of the Arab League were launched by ruling regimes and leaders, individually or bilaterally, driven by revolutionary nationalist or progressive patriotic ideologies in an attempt to vanquish what had come to be known as reactionary ideologies and regimes collaborating with colonialism and Zionism. This inaugurated an outrageously costly phase at all levels of the bloody inter-Arab struggle in which unadulterated blind violence was employed in the Arab arena under a host of conflicting nationalist, revolutionary, and Islamic slogans taking various forms and shapes, the most prominent being military coups, wars between intelligence agencies, physical elimination of opponents or those holding a differing



view by using organized terrorist movements, abrogating the rights of the Arab citizen on the pretext of protecting the revolution from counterrevolution or the security of the regime from agents, and last but not least, civil war, as in the case of Sudan, Lebanon, and Yemen.

The stream of bloody events throughout the period from the late 1950's to the present 1990's reveals Arab man and society to have been the perpetual victim of a mutually barbaric state of predation—I do not call it a rational civilized struggle—between “revolution” in the sense of the right of the masses to freedom, progress, and justice, “wealth” in the sense of development, patriotism, nationalism, and comprehensive security, and the “power of authority” in the sense of its democratic legitimacy, not the efficiency of the techniques employed by its agencies of repression.

Among those so captivated, the following have been observed to venture to build an Arab order:

- Libya's al-Qadhdhafi, who launched violent attempts at unified entities with Egypt's al-Sadat, Syria's al-Asad, Sudan's al-Numayri, Tunisia's Bourgiba, and Morocco's al-Hasan II.
- Iraq's Saddam Husayn and Syria's al-Asad, in what was known as the National Charter following the 1978 Baghdad summit conference to challenge the Camp David accords for an Egyptian-Israeli reconciliation signed by al-Sadat with Begin with the support of U.S. President Carter, to which al-Sadat responded by attempting to form an alternative Arab League when Egypt's membership in the League of Arab States was suspended.
- The Steadfastness and Resistance Front which was formed outside the Arab League following the Camp David accords by Syria's al-Asad, Algeria's Bumidyan, South Yemen's Muhammad 'Ali Nasir, Libya's al-Qadhdhafi, and the PLO's Yasir 'Arafat.
- Syria's al-Asad, in cooperation with Lebanon's Frangiyah, which set off the Lebanese civil war.

The list is long and distressing.

The most recent, and perhaps the most dangerous of these ventures due to its unprecedented regional and international implications, was the Iraqi subjugation of Kuwait in the name of a nationalist solution to the Arab predicament that befell the Arab nation after the fifth Arab-Israeli war of 1973, and the ensuing struggle in the arena and within the Arab League over how to exploit the tactical victories achieved by the Arabs for the first time in the history of the Arab-Israeli struggle, in which Arab oil was used as a weapon in the battle, when for the first time in an effective action, the revolution combined with the wealth.

The essence of the Arab crisis, then, is the absence of a regional Arab order with nationalist dimensions that can achieve the military, political, economic, and social aspects of comprehensive security for this geopolitical bloc in the strategic Middle East area where the volcanoes of raging struggle are disrupting the life of mankind

and nation alike....and that of the world. Because the fragile composition of the League of Arab States is incapable of filling this vacuum, when the ruling regime and leadership of one Arab country or another feels it has nothing to do, it is tempted to try to fill the vacuum on the basis of the principle that “the end justifies the means.” This temptation was complicated in the 1990's by tremendous international changes mounting in support of the establishment of a new world order which inevitably will deal with matters in its own way in regional areas having no order to follow or be forced to deal with existing regional organizations via some obvious “strong man.”

It is our belief that this objective perspective will lead us to a realistic view and deep analysis of the truth of the Gulf crisis and war that exploded with the Iraqi invasion of Kuwait and give us the ability to respond as precisely as possible to the central question: What should be done after the crisis and war?

Thus a knowledge of the background and objectives of Iraq's move against Kuwait and its venture to build an Arab order under its leadership to fill the vacuum in the nationalist arena becomes the logical starting point for an answer to this central question.

## ISRAEL

### Jordanian Popular Army Said Behind Border Attacks

TA194143891A Tel Aviv HA'ARETZ  
in Hebrew 19 Apr 91 p 2

[Text] Over recent months, King Husayn has ordered that members of the Popular Army in Jordan be equipped with light weapons. The assessment is that thousands of residents received Kalashnikov rifles. The weapons, it has become clear, are being used in attacks against Israel.

The distribution of weapons to the Popular Army started immediately after the Iraqi invasion of Kuwait. At the time, high levels in the Jordanian administration decided to distribute weapons to residents of the villages along the border with Israel, that are organized within the Popular Army. To this end, special enlistment depots were opened to distribute the weapons, with the purpose of the citizens being involved in regional defense.

King Husayn decision to distribute weapons to the Popular Army stemmed from pressures within the government which, six months ago, were compounded by extreme religious elements. Military sources said that the Jordanian army has had many successes in thwarting hostile activity directed at Israel, but has not prevented the entrenchment of radical Muslims in the country. These streams have great influence on soldiers and junior officers, who turn a blind eye toward attacks which members of the Popular Army try to carry out.

In Israel, it was feared that the weapons would be diverted for attacks against Israel and perhaps ultimately even against Husayn himself—given the strengthening of fundamentalist movements in Jordan. In recent days, it has been proven that the fear of the weapons being used for attacks against Israel was, indeed, realized; and some of the recent attacks have been carried out by members of the Popular Army.

King Husayn himself, who is in the midst of a difficult political and economic situation, has not been involved in dealing with the Popular Army, but with rehabilitating his image in the world. The assessment is that members of the militias are doing whatever their hearts desire and military sources estimate that the attacks on the Jordanian border indicate a partial loss of control by the King.

### Reservist Opposes Serving in Gaza

91AE0348C Tel Aviv MA'ARIV in Hebrew  
31 Mar 91 p 10

[Article by Uri Milo']

[text] My company went to Gaza, in that great war of long ago, the Six-Day War. It also "went" in the most terrible meaning of the word—the best of the comrades fell at the entrances, at the outpost of "Ali Munt'ar."

And lately, I went to Gaza again with my reserve company, not for the first time.

This war in Gaza is not my war, nor that of many good members of my company, religious and secular, rich and poor, on the right and left, from the kibbutz, village and city. None of us understands why we are "going to Gaza."

We are a good company; I love it. A soldier from the ranks, past the age of forty-four, still trying to guard the ember.

When the company is called to reserve duty, we receive briefings by an attorney from the military advocate general's corp, which makes it clear how much this war is unjust. Actually, he is trying to explain the opposite to us, without success.

As a citizen, as a human being, as a soldier, I have no complaints against the army. It carries out the language of the orders as best it can. The military system works superbly.

Our main functions in Gaza are: to protect ourselves; to get through the reserve service quietly; and not to upset the peace in Gaza.

Our war in Gaza is against children ages five to 15 (the age of my young children) who were born under Israeli rule. These little ones greet us at the entrances to Gaza, in "Taltin Street" (Street 30) with a rain of river stones, which are lethal enough, and we, "the valiant warriors," hide from the rain of stones, shocked, frightened, not

understanding, frustrated—it seems to me that no word has yet been invented which expresses our feeling.

You, the politicians, do not know what you are doing. I would say to you: "You go to Gaza!" and leave me and my good and beautiful company to guard the State. We are the Defense Forces of Israel, and Gaza is not Israel.

But my company remains. Only I have lifted my hands and said to myself, "No more." The comrades are still undecided, do not know what to do, but continue to obey their orders as needed.

But I have left Gaza, and also left the company.

My son is already a soldier in the army. He volunteered for a select unit.

### KUWAIT

#### Future Role of Youth Discussed

91AE0310A London AL-MAJALLAH in Arabic  
6 Mar 91 pp 46-48

[Article by AL-MAJALLAH Cairo Bureau: "Kuwait's Youth After the Invasion"]

[Text] "Kuwait's youth are well. They have been awaiting the moment of their country's liberation to contribute with all their strength to removing the traces of the invasion."

This is the general impression you take away after meeting many young Kuwaiti men and women in Cairo. They are working for postwar Kuwait with obvious zeal and energy, getting ready to rebuild their country after the end of the war, help those who have suffered damage, and assist those injured in the war. "Rebuilding Kuwait" was the title of the first course that the Kuwaiti Association for Popular Action organized. Its goal was to teach young Kuwaitis construction techniques such as building, carpentry, plumbing, painting, and excavating.

"First-Aid Workers" was the title of the second course that recently began its activities. Out of 500 applicants, 150 young Kuwaiti men and women were enrolled. AL-MAJALLAH met with officials, specialists, and young people from Kuwait, interviewed them, listened to them, and recorded their opinions, ideas, activities, and the picture they have drawn in their minds of Kuwait after liberation from the Iraqi invasion.

Dr. 'Adil Mihran, the technical supervisor of the youth sector in these groups, said: "This idea brings many benefits. Most importantly, it creates a new Kuwaiti individual. We need only realize that the young people in these groups attend courses every day from eight in the morning until 12 noon, before going to their school from three in the afternoon until seven in the evening. During this full and serious day, young people give up many of the traditional interests that occupy their peers at this age. Their country's ordeal and its continual need for

them always remain present before their eyes. Kuwait's Council of Ministers has therefore approved this program without delay in preparation for the period after the return." Dr. Mihran added: "Work in these groups has revealed that young Kuwaitis have a determination and seriousness that were never exploited before the ordeal and that these youths are really fully aware and able to rely on themselves. But they never ventured to do so, until circumstances forced them to give up the softness of youth—if one may use the expression—abandon their hesitation and reliance on others, and approach a huge machine, or hold a wrench to repair an electrical malfunction, or restore to operation their home air conditioner that has stopped working because of a simple malfunction."

The scene is really awe-inspiring and utterly new—unfamiliar to eyes that knew Kuwaiti society in the past before the outrageous Iraqi invasion. The tender hands of young girls hold precision tools and deal confidently with electrical current, fearlessly extending a large electrical connection on a hard wall, or repairing damage to a door and window. A young boy and his colleagues have given up their traditional interests and have gone under the chassis of a car in a group to learn about each major or minor part. Another group stood enthusiastically in front of electrical cutting and welding equipment, unafraid of its danger.

Everything is indeed new in this picture. Its details will be transported to Kuwait when the return begins, so that Kuwait's young people will fill the streets and buildings of their country with vitality, sweat, and real work.

One of these youths, Muhammad Sa'd (oxygen welder), said: "In this course I have learned to be self-reliant and to do jobs that my friends and I never thought of approaching. I hope to learn even more jobs, so that I can help my country and family, now that it has been proved to us that life is not just luxury and relaxation, but also work and fatigue. I am very happy to have learned these skills. I attend these classes more regularly than I attend my high school." His colleague, Muhammad 'Abdallah, said: I have learned to put my hand to all sorts of things. I try to repair them and understand their nature. After returning to my country, I won't be ashamed to practice any skill I have learned, as long as it helps my country. I don't believe that young Kuwaitis now think the way they used to think before the crisis. What interests them now is their country and its return to health."

At another location, hands interlock around a huge pipe, readying it to work in a sewer network. Undoubtedly, it is a strange skill for these young people who never in their lives lifted even a small wrench. But under the eyes of trained engineers, they are learning how to deal with difficult and heavy jobs.

One of them—his name is Salah al-Rifa'i—said: "We feel we are in another world than the one many of us used to know, which was limited to relaxation, driving cars, and getting everything we wanted at the wave of a

hand or by calling a trained worker. It's no secret that these are jobs that don't attract Kuwaitis very much. But life has taught us that our country needs the efforts of its sons first, and that total reliance upon others entails dangers. I have become a plumbing specialist. Thus I can benefit my family and my whole neighborhood. I will communicate the experience I have gained in Egypt to all my brothers."

Another youth carries a huge wrench and is gripping the end of an iron pipe with it. With his small arms, but great resolution, he is turning the wrench, and saying: "It is a fine thing for us to work with our hands and learn to rely on ourselves and abandon the life of luxury. I hope to be in the vanguard of those returning to Kuwait. I wanted to be in the ranks of the fighters in the battle for liberation, but being in the rebuilding classes also makes me feel pride."

'Abd-al-'Aziz al-Mukhallad, head of the Kuwaiti Association for Popular Action, stated: "The current first-aid course is not the first course of its kind that the association has given. Other courses preceded it—for example, the course in rebuilding Kuwait after the return. There will be other courses in the future in various fields and specialties. I see these courses as part of the war effort to liberate Kuwait. Just as there are soldiers—Kuwaitis, Arabs, and friends—fighting now to retake Kuwait from the Iraqi forces, there are Kuwaiti citizens preparing themselves to rebuild Kuwait and rescue those wounded by the war after the return. Their role is no less important than the role of the soldier fighting on the line there."

Shaykhah al-Muzn, directress of the Nurses' Institute in Kuwait, said: "The idea of training Kuwaiti first-aid workers is a natural idea now. Indeed, it is essential, in view of the emergency circumstances, especially with the war to liberate Kuwait now raging. If people under ordinary conditions need someone to give first aid when they meet with an accident, it is even more necessary for us to have first-aid workers during this difficult and dangerous period. The idea of caring for those injured in war is not new, for wars leave in their wake sicknesses and mental deformities, which, if not treated, lead to unhealthy consequences. In this context, we should perhaps remember Britain, which suffered more casualties in the Crimean War from soldiers who died of disease than from those who were killed in battle."

She added: "The basic idea of the first-aid course is to select volunteers and train them in first aid and treating war injuries in only six weeks, six hours a week. During this time, volunteers attend theoretical and practical classes, followed by hospital visits. At the end of the course, they receive an accredited diploma, qualifying them to practice as part-time rescue workers after returning to Kuwait. I want to indicate that young Kuwaitis have shown great interest in these courses, both in the previous course—construction—and in the current course—first aid. We never expected such interest. For example, we wanted only 150 young men and



women for the current first-aid course, but about 500 applied to us as volunteers. We chose among them on the basis of availability—in other words, those whose circumstances would permit them to participate in first-aid work for the longest possible time. It was natural for there to be more young Kuwaiti girls than boys for the first-aid class, since first-aid work is almost exclusively the purview of girls, either as first-aid personnel or nurses. It was just the opposite with the construction course: young Kuwaiti men were more interested than girls, since construction is a skill for which men are more suited than women.

"In general, we have learned much from the crisis that has befallen our mother country, Kuwait. After the return, there will be another Kuwait, more beautiful than it was, God willing!"

The Women's and Children's Committee, a committee of the Kuwaiti Association for Popular Action, has undertaken many activities. The first of these was to hold a children's club every Friday for children between the ages of four and 14. The purpose of the club, according to Lu'lu'ah al-Mala, one of its members, was to gather children together to participate in activities beneficial to them. The predominant character of the club was for the children to engage in artistic, cultural, and social activities. In other words, the nature of the club's activity was more educational than recreational.

"In the beginning, we showed the children pictures and films of Kuwait before and after the Iraqi invasion. Then we asked them to express this in drawings. The activity of the club continued for three weeks. There was great interest on the part of children, with about 200 participating. However, when the war of liberation approached, the activity of the club stopped."

Lu'lu'ah al-Mala said: "Another activity of the committee is to arrange educational sessions for young Kuwaiti men and women. We also had letters written from Kuwaiti children to soldiers on the firing line. These letters were always addressed to 'My Father, the Soldier,' or 'My Brother, the Soldier.' Another activity of the Women's and Children's Committee was to organize a course to graduate nurses and first-aid workers. In addition to the Kuwaiti young people who took part in these courses, male and female Kuwaiti doctors participated. The main purpose of the course is to save those wounded by war, since after the return we shall encounter a great shortage of nursing and first-aid personnel in Kuwaiti hospitals. Each volunteer will treat the wounded people who return to his or her residential district. The most important qualification for a participant in the course is that he be between 15 and 45 and have studied the elementary principles of health, so that he can absorb practical experience in treating burns and bandaging wounds and battle injuries. I want to mention Egypt's great effort in this course, in which the Higher Institute for Nursing of Cairo University is participating."

'Abdallah al-Hawli (age 15), 'Abd-al-Wahhab al-Kandari (age 17), and Khalid Gammal (age 16)—young Kuwaitis participating in the first-aid course—said that they became interested in participating in the first-aid course as soon as it began its activity. They had already attended the listening sessions that the association organized for an open discussion between Kuwaiti youths and Kuwaiti officials and specialists about various social, political, and economic issues and problems. They also stated that participation in the first-aid course was a duty, not merely voluntary work—"for the war to liberate Kuwait is now under way, and Kuwait, the mother country, requires that every Kuwaiti do something to regain and rebuild the country."

The three young men said: "Unfortunately, some of the media have given Arab and Western societies a bad picture of Kuwaiti youth. They have portrayed them as frivolous and irresponsible and as having no relation to Kuwait. This is an incorrect picture. In every community and every country there are good and bad. The predominant character of young Kuwaitis is that they are promising and serious young people who are working to regain their homeland."

The three young Kuwaitis ended by saying that they had participated in other courses, such as the course on reconstructing Kuwait, in addition to the first-aid course. In other words, they had participated in two courses at the same time. They said that this was the very least that Kuwait deserved.

Asma' al-Hawli (age 21), one of the participants in the first-aid course, told AL-MAJALLAH: "I learned that the course was going to begin from the newspapers. I immediately went to register my name and participate in it, because I know that after the end of the war there will be a shortage of hospital personnel—doctors and nurses. There will be a tremendous number of wounded people. Who will give them first-aid, if not their fellow Kuwaitis?"

She added: "These courses began their activity a short while ago. We were very shocked at the time of the invasion and afterwards. At first, we did not believe what we were hearing and seeing."

"After we absorbed the shock, we began to move quickly in several directions to participate in regaining and rebuilding Kuwait."

Tamador al-Yasin (age 20) said: "Kuwait will return, more beautiful than it was. This will be done by the hands of its people, especially its young people. Despite the cruelty of the crisis through which we have passed, we have learned a great deal from it."

Nabil al-Khalaf (age 31), a faculty member of the Psychology Department of the Basic Education College in Kuwait, said: "Young Kuwaitis have rediscovered themselves following the fearful crisis they have passed through. Young people are interested in learning various trades and skills. Young people are even training in

domestic services now. I head the Social and Educational Committee. We discuss all the problems of the Kuwaiti family from the educational and social perspective. We also define the financial problems and try to contribute to solving them."

Nabil al-Khalaf ended by saying: "Among the most prominent problems that confronted us in the committee were the problems of being a stranger, separation from one's homeland, family disruptions, and great emptiness. True, we are living in our second homeland, Egypt, but there is a difference between living in a place by choice and living there involuntarily. We hope the time will pass quickly and that Kuwait will return to us, so that the terrible psychological pains that the Iraqi invasion has caused us will cease. With God's permission, Kuwait will again be what it once was: the land of peace and Arab culture. I want to say that our efforts outside the homeland complement the efforts of the fighters on the front. Battle and war have more than one form and more than one method. The important thing is for everyone to work to regain the stolen homeland, Kuwait."

## SAUDI ARABIA

### Impact of War on Inter-Arab Relations

91AE03254 Riyadh AL-RIYAD in Arabic 7 Mar 91 p 4

[Report on interviews with Dr. Faruq 'Abd-al-Rahman Murad, head of the Arab Center for Security Studies and Training; Dr. 'Abdallah al-Hajiri, head of the World Organization for Solidarity with Kuwait in the Eastern Region; Husayn Muhammad 'Askari, head of the Islamic Broadcasting Organization in Jeddah; writers Dr. Isma'il al-Shatti and 'Abd-al-Muhsin 'Abd-al-'Aziz al-'Akkas; and writer and journalist Muhammad Sadiq Diyab; by Zaynab Ahmad Hifni; place and date not given: "What Are Tomorrow's Pages Writing for Arabs?"]

[Text] The Gulf crisis is over. Kuwait's flag is raised once again over the country. Bodies embrace in joy with the fragrance of victory, quenching the thirst of longing for the homeland. But the question is, what will follow this crisis? Sorrow lies buried in the heart of every Arab regarding what happened, fear and foreboding over tomorrow: what lines will the folded pages contain? The Arab who yesterday was a brother and friend is today an enemy who violated a trust, killed the boy, raped the daughter, and deprived the family of its home.

What level of relations will prevail between the Arab peoples now that these blazing flames have been extinguished, and the Arab world has divided into two distant halves?

### Gulf Crisis Reveals Sound Trends in Inter-Arab Relations

#### Why Always Erroneous Interpretation and Faulty Understanding of Gulf Citizen's Role?

We first put the question to Dr. Faruq 'Abd-al-Rahman Murad, head of the Arab Center for Security Studies and Training, who spoke of his views on security matters. He says that following the aggression the Arab states divided into two camps: one highly cohesive, composed of the countries that formed the Arab, Islamic, and world coalition to liberate Kuwait; and a second group of nations lacking the strong bonds of a unified policy, characterized primarily by flipflopping and the adoption of vague, weak positions. Most of these states attempted to sit on the fence, but were not given the chance to do so. This situation will affect whatever relations are to prevail in the coming stage between the peoples of the Arab world. There will be tension and a shortage of confidence, indeed no confidence at all, in many quarters among the Arab peoples who involved themselves in demagoguery and drowning emotionalism, as well as attempts within the region to cause harm and sabotage.

From another perspective, those countries characterized by irresponsible methods, or the methods of street demagoguery, will not feel apprehensive about the other countries, but will try to turn the page, remove every trace of what happened in the past, and try to regain lost confidence. The first group will find it difficult to get beyond the first stage; and while I have no doubt that Arab governments and peoples honestly intend to get beyond this crisis, I must say that it will not be an easy matter. My analysis of the two levels of Arab groupings and two levels of behavior within these groupings is that aspects of this analysis will be forced on the Arab arena, on confidence between the Arab countries and peoples for a long time to come. While restricting ourselves to the Arab world, we can see it having implications beyond the Arab world moving in the same direction, involving such Islamic nations as Turkey, Iran, and others, as well as the rest of the nations of the world, especially Europe and the United States.

#### Materialist Interpretation

The second group discussed by Dr. Faruq which he described as characterized largely by demagoguery and senselessness have led many to wonder why these people sympathized with Saddam Husayn's demands about the distribution of wealth.

On this matter, Dr. 'Abdallah al-Hajiri, head of the World Organization for Solidarity with Kuwait in the Eastern Region, says it was not out of conviction as much as it resulted from a deep-seated enmity borne for inhabitants of the Gulf who are so blessed by wealth and good fortune.

The true reason is the absolute nature of regimes in these countries and their nepotistic restriction of favors to

those well-placed within the regime, in contradistinction to the Gulf states where most of the people share in the wealth.

Gulf states have not limited the enjoyment of their wealth solely to themselves, but have reached out without favor or consideration to assist all Arab and Islamic states. I will not support this using statistics from the Gulf states development funds which spared no effort in helping Islamic, Arab, and other countries. This aid was going to countries which did not properly exploit it to distribute wealth and assistance. The people received no share of it, leading them to believe that the Gulf states were not giving them enough. It was too much to believe that this aid had gone into the pockets of those in power and the decisionmakers in these countries. The Gulf states are the best example of the distribution of wealth. They have employed part of it to make their people happy and contented. Iraq, now calling for a distribution of wealth, is better situated than the Gulf states in terms of oil ownership. It has the world's third largest reserve, but as a result of poor distribution it has failed to exploit its wealth. Instead, it has been manufacturing for wars and squandering its wealth for selfish personal goals. How can Saddam demand the distribution of wealth, while he squanders it? One who has lost something cannot give it away. Those who sympathized with Saddam did so either out of enmity buried in their hearts or because ignorance sits on their brains.

I agree with Dr. [al-Hajiri]'s assertion that this sympathy was due to low public awareness and because the scale of standards for weighing matters is broken. However, many are saying something Dr. [al-Hajiri] did not address in his response, namely that the Arab media are malfunctioning, and that the Iraqi media proved to be powerfully effective in winning over public opinion during this crisis. How true is this assertion?

#### Media Absence

Husayn Muhammad 'Askari, head of the Islamic Broadcasting Organization in Jeddah, says he does not agree with the view that the Iraqi media for a time was able to occupy a place in the arena convincing to the Arab listener, for the simple reason that the contents of its broadcasts at the onset of Iraq's invasion of Kuwait amounted to a bunch of nonsense which may have gotten some response from a small section of listeners in part of the Arab street, but it is a section of illiterates who take matters at face value. Illiteracy here does not mean those who cannot read or write, but political illiteracy. Hence, the impact of Iraqi media on a section of political and intellectual illiterates constitutes a type of neo-illiteracy which we may call "illiteracy of certain decisionmakers" as indicated by the fact that some Arab leaders fell victim to Iraqi media intimidation because of the power of Iraq's tyrant. One leader even issued repeated statements warning that Saddam had yet to employ his real power. Another Arab leader used his media to puppet the

Iraqi media, and an Arab radio station adopted a campaign of lies and distorted facts even greater than that employed by Baghdad radio.

But dealing in untruths and demeaning the facts cannot last forever, as indicated by honest testimony from within Iraq when some Iraqi intellectuals secretly told foreign correspondents: "We know our media is false, that it is trying to inflate words to convince us that the tragic reality we are living is just a dream, and that in fact we will defeat the entire world. We have awakened to the truth and find it frightening. Our army is crushed, our country is destroyed, we face humiliation and disgrace, and yet our media continue to deal in lies."

In these terms, Iraqi media had no impact. Had it shown any effectiveness yesterday, or should it today or tomorrow, this would represent a gruesome picture of an unfaithful dealing with the word.

Disappointment with the harsh events that have occurred in the Arab region and the resultant loosening of the bonds of Arab unity have been a savage, cruel shock to every intellectual and litterateur in the Islamic Arab world.

#### Cultural Relations

Dr. Isma'il al-Shatti, a writer, spoke of how he envisions Arab cultural relations developing. The moment the tyrannical Iraqi occupation of Kuwait took place, the cards were reshuffled and disintegration within the Arab house began to appear. All the efforts made this past decade on behalf of unity were threatened with failure.

During this crisis the Gulf person felt that certain of the elite failed to deal with him on the basis of his cultural value and originality, did not look at his role in the Arab and Islamic renaissance in terms of his performance and activity, but on the basis of the amount of financial support he could provide. Neither the spiritual reserve of this region nor the fact that its civilization is older were able to improve this image. Even the fact that those from the Gulf belong to many of the prevailing intellectual and political movements failed to change anything. The Arab elite were revealed to be sick, filled with complexes of poverty and deprivation. Hence they resort to the meaning hidden within the image, except when it comes to this crisis. [The caliph] 'Ali, may God honor his face, spoke truthfully when he said: "Were poverty a man, I would have killed him." This situation will lead to the sifting and eliminating of many prevailing concepts, especially within the religious movement where lapses into pre-Islamic ignorance were witnessed. Symbols will fall, leading personalities will fade into the shadows, and relations between this movement's groups in the Gulf will remain tense. This will also apply to some members of the elite in the liberal movement. The Gulf region will witness notable intellectual and cultural activity. Disregarding the fact that trials polish talent and motivate creativity, the unjust stands taken by some against the Gulf individual will impel him to be different or out ahead, a subordinate not a principal [as published], a

leader, not a follower. The Arab intellectual and cultural movement in general will be affected after the crisis because Gulf wealth was embedded in its blood, roots, and pulse. Gulf states provided a large stage for the movement's activities. Now that the crisis has impoverished everyone, including the Gulf states, there is neither the financial support nor the popular backing to receive those who helped plunge the dagger into their waist. Even were Lebanon to return as it once was, it will be cautious about welcoming intellectual and cultural activity after the years of destruction it lived through. Just as the 1967 disaster was a turning point in the Arab intellectual and cultural movement, I believe that the Kuwait catastrophe will form another turning point along that twisted road. I do not believe the change will be a nationalist or liberal retreat in the face of the religious movement, rather, I believe that it will create a new blend of nationalist, regional, and religious thought.

#### Aggression Sympathizers

The writer 'Abd-al-Muhsin 'Abd-al-'Aziz al-'Akkas denies that this war was a shock to all Arab intellectuals. Rather, in his opinion some Arab intellectuals applauded it enthusiastically and hastened its terrifying results. This stance was not merely confined to a handful of intellectuals: certain governments, politicians, parties, organizations, and a section of the public agree with the aggression of Saddam's regime in the Gulf. Therefore, the fact is that this war uncovered, but did not cause, the deep fissure within the Arab and Islamic body. The truth is that knowledge of the fissure is better than ignorance of it. Saddamism as a type of Nazi political action finds a responsive chord among certain intellectuals, parties, organizations, governments, and members of the public. But can Arab enemies of Arab nazism be victorious politically and culturally? This is the crux of the matter as I see it. This is what will govern Arab cultural relations. If we the enemies of nazism, we who are in the right, we the legitimate heirs of Arab and Islamic civilization, we who are trying to contribute effectively to the totality of contemporary civilization, if we disregard Arab nazism and view our conflict with it as simple and temporary, this will constitute an undeserved victory for saddamism. But if we undertake our responsibility and follow up the military victory with an insistent unambiguous call to excise nazism from every aspect of the Arab intellectual and political composure, if we do that, healthy political and cultural relations will grow anew between the Arab communities as they meet in truth not in falsehood.

#### Dealing With Crisis

We pause momentarily to question cautiously and fearfully how Arab communities will deal with one another while all are suffering from the psychological bruises caused by stances that affected every single member.

Writer and journalist Muhammad Sadiq Diyab discusses his views of the postcrisis level of social relations, saying it would be wrong for anyone to think that they will be

unaffected by the climate in leadership relations between the Arab states and the possibility that it will continue for some time after the crisis, particularly when we consider the nature of those dictatorial leaders who stood alongside Iraq and the "flock psychology" they force on their people to strip them of the ability to think independently. Through a lengthy series of repressive, tyrannical measures and brainwashing it deprives them of the ability to evaluate their intuitions and causes them to follow their tyrants in an unwitting and involuntary manner amounting to blind subjection. So long as these dictatorial leaderships hold sway over their people, continue to practice deception, and amputate the facts, the possibility of having mature Arab relations, social or otherwise, will remain tied to a change in the leadership and the oppressed winning their freedom, regaining their ability to think independently, and nullifying [current] facts through objective channels rather than because of a controller's power or the whims of the leadership.

In short, if inter-Arab relations are to be safe, the dictatorial regimes that supported Saddam's tyranny, hid information from the public at large, and led their people away from the truth, must be eliminated.

Following this review of numerous aspects of post-Gulf-crisis Arab relations, we can be certain there will be a new security belt within the Arab region and a radical change in conditions within the bricks that form Arab communities. But these are just views. The actual fact is still being written by the hand of fate in the darkness of heaven. God willing, the days ahead will bring great good to everyone who took a truthful stand and dealt with an honest conscience to support the oppressed and repel the oppressor.

## TUNISIA

### Mourou Discusses Position With Officials

91AA0289A London AL-SHARQ AL-AWSAT in Arabic  
27 Mar 91 pp 1, 4

[Article by Muhammad 'Ali al-Qulaybi: "Increased Possibilities of Confrontation With Fundamentalist Students; Mourou's Meeting With Tunisian Official Paves Way for Forming Movement to Vie With Revival"]

[Text] Tunis—AL-SHARQ AL-AWSAT—Abdelfettah Mourou, a prominent leader of Tunisia's Islamic Revival Movement who broke away from the movement recently, has assured AL-SHARQ AL-AWSAT that last week he had his first official meeting with the government since he decided to freeze his membership in the Revival Movement on 7 March 1991 in protest of the involvement of some of its elements in acts of violence.

Mourou declined to reveal the details of this meeting in which he got together with a political adviser of Tunisian President Zine El Abidine Ben Ali. He was content to say that the official listened to him with interest and promised to convey his ideas to the Tunisian president.



He added that in the meeting he agreed to hold another round of dialogue. He characterized the first round as positive.

In a related development, an official Tunisian source who declined to reveal his name has told AL-SHARQ AL-AWSAT that the government expects Mourou and his faction to publicly clarify their positions on several issues which the government considers essential and which are connected with the Islamic state and with the desired social pattern. The source also said that the government will determine its final position toward Mourou's movement in light of this clarification.

At the same time, there has been an escalating wave of resignations from the Revival Movement which seems to be threatened with collapse. (Noureddine Bousiri), a signatory of the national charter in his capacity as a member of the Revival Movement, has announced that he has joined Mourou.

Bousiri was recently released from jail after intervention by the opposition parties. It is said that Bousiri's wife sent a letter to Pelletreau, the U.S. ambassador to Tunisia, entreating him to intervene for the release of her husband.

(Sedki Abedi) and Abdelkarim (Abbas), two members of the Consultative Council, have also joined Mourou's faction.

It seems that the Revival Movement's leadership institutions have been paralyzed as a result of these resignations and the incarceration of a number of Revival leaders, including Ali Laaridh, Hamadi Djebali, and (Ajami Ourimi), and as a result of the fact that Rached Ghannouchi, the movement leader, is outside Tunisia.

For the first time since the start of the breakaway movement of Mourou and his faction, Ghannouchi has abandoned his silence and issued a violent statement attacking the government and urging Mourou and his faction to back down on their decision to freeze their activity and, consequently, to return to the Revival Movement.

At a time when the government has begun to build bridges of an undeclared dialogue with Mourou, the Ministry of Interior announced two days ago the discovery of Molotov cocktails and antiregime leaflets in six university towns.

Observers believe that this new development which comes just one week prior to the return of students to the universities, institutes, and schools forewarns of worsening conditions inside these educational institutions. Studies in these institutions have continued to be suspended for a long time. Observers do not find it unlikely that with the discovery of these instruments of terror, the Tunisian authorities will shut down the mosques in the university towns and the headquarters of the General Federation of Tunisian Students, a student union organization with fundamentalist tendencies.

These observers believe that by inviting Tunisians and foreign journalists two days ago to acquaint themselves with instruments of terror, the Tunisian Ministry of Interior could be paving the way for a large-scale campaign to prepare public opinion at home and abroad for a likely, and perhaps imminent, confrontation with the radical tendency in the Revival Movement, including students who support this tendency.

In this context, AL-SHARQ AL-AWSAT has learned that the five recognized opposition parties decided at a meeting they held two days ago to mediate between the government and the various student circles to save the academic year and to ensure the resumption of studies. The opposition parties' stance represents an attempt to adjust the scales and to avoid a confrontation.

Observers believe that the coming phase will abound with surprises, especially between the government and the fundamentalist tendency, particularly since the trial of those involved in the attack on the ruling party headquarters is around the corner.

Some analysts believe that the government may take steps in the direction of relaxation and reconciliation. It seems that the decision the government made two days ago to release 124 detainees who belong to the fundamentalist tendency and who were arrested after the fire at the ruling party headquarters on 17 February 1991 represents the first positive outcome of the meeting held recently between Mourou and the government.

It is to be noted that two of those affected by the release decision are Consultative Council members. It also seems that at the meeting, Mourou requested the release of Hamadi Djebali and Ali Laaridh, both of whom are prominent leaders of the Revival Movement. Should this be done, then Mourou and his faction could agree on the features of the new organization that may establish another movement to compete with the Revival Movement, headed by Ghannouchi.

### **Mourou Denies Rumors of 'Hidden Agendas'**

91AA0326A Tunis REALITES in French  
4 Apr 91 pp 6-8

[Interview with Abdelfattah Mourou by Moncef Mahroug and Nejib Lakenji; place and date not given; "Mourou Committed To Respecting Law on Parties"; first paragraph is REALITES introduction]

[Text] The idea of creating a new party is clearly gaining ground with Mr. Mourou. To make it acceptable to the regime, he has already taken some big steps toward allaying the latter's concerns—by proclaiming his acceptance of the law on parties, rejecting violence, and abjuring the use of the mosque for political ends.

[REALITES] Two more leaders of Ennahdha have just suspended their membership in the movement. What is your reaction to that?

[Mourou] It is a positive sign.

[REALITES] Do you expect any more of the movement's leaders and militants to follow suit?

[Mourou] They are all waiting to see how our initiative is received.

[REALITES] By the government, you mean?

[Mourou] Yes, especially by the government.

[REALITES] You have met with one of the advisers of the head of state. What were your impressions?

[Mourou] My impressions were positive, but I cannot comment on the tenor of the meeting.

[REALITES] What was your reaction after reading the part of Rached Ghannouchi's communique that dealt with your initiative?

[Mourou] It would seem he did not wish to dwell on the initiative, perhaps because he does not know enough about its background or does not wish to incite others to leave the movement. So he spoke less harshly about us, but he evaded the question. This is not a question of divergent views that could be resolved by a vote. The question is one of principle and cannot be decided by majority rule. It can only be decided by an agreement. In other words, if you are in agreement with me, we can work together; if not, we cannot do it.

[REALITES] Do you get the impression the issue has not yet been decided?

[Mourou] The conditions for resolving that question have not yet been met. We are told: "Return to the fold and we will discuss it." Discuss what? I have already said I disagree on "that issue." Whether that line of action (editor's note: violence) is the doing of one person or ten is another question. But even if it is only the act of a lone individual, it reflects on the whole group.

[REALITES] Have your plans been altered by the fact that two other leaders of the movement have come over to your side? What are you going to do now?

[Mourou] We are going to begin by conferring, since they have only just joined us.

[REALITES] Three weeks after your initiative, what is the response from the rank and file of the movement?

[Mourou] There are questions in the rank and file. Some are uncomfortable, others reject the initiative. There is a need for understanding in the rank and file.

[REALITES] What is the dominant reaction?

[Mourou] Fear: fear of what the future holds, as if the initiative were a leap into the unknown.

It does not depend entirely on the government. We do not know whether general conditions in the country are going to favor the detente we are trying to establish.

If a crisis erupts at the university, that will affect every sector in the country. That worries us, because such tensions could eclipse the initiative (of the three).

[REALITES] Is there a cause-and-effect relation...?

[Mourou] I would not say so. But the fact is that there is an influential Islamist movement at the university. If tensions rise at the university, that will have an effect on the high schools, on families, on everyone in the country. Action leads to reaction. It is almost as if someone is in a hurry to destroy the 7 March initiative. If there are underhanded dealings going on, what can we do? Create a new party? Even if we create 70 new parties, it would be futile if there is a confrontation.

[REALITES] Are there people who want to destroy the initiative and who are fomenting agitation at the university?

[Mourou] There may be several individuals who would like to prevent calm from being restored in the country. Certain people take a dim view of the initiative. Some of them are inside the movement, others are not.

[REALITES] Some observers have found the most recent Ennahdha communique, signed by Rached Ghannouchi, more moderate than its predecessors. Do you share that impression?

[Mourou] Previously, instead of issuing communiques, he just made stronger statements. Perhaps he did so—at least, as I see things—with the thought that his own words, whether soft or harsh, would not reflect on the movement when he was speaking on his own behalf. This time the situation was different: He was speaking on behalf of the movement. (Editor's note: For the first time in a long while, Cheikh Rached Ghannouchi personally signed the movement's most recent communique.) That obliged him to change his tone, since it was an official communique, whereas in the past he was making statements for which he alone had to assume responsibility.

Often one of us would make a statement and clearly label it a personal opinion.

[REALITES] Your initiative seems to have had some effect.

[Mourou] My belief is that it has had some impact on him and on everyone who belongs to the movement. And the proof is that the violence—of which everyone in the country was so afraid—has stopped. There may be a few isolated incidents, but there is no longer a pattern of violence.

[REALITES] Will Ennahdha change if it is eventually legalized?

[Mourou] You know, when a person is acting thoughtlessly, if someone lets him know he is being watched through the window, that is sometimes sufficient to induce him to change his attitude and act responsibly. Similarly, once the movement (Ennahdha) ceases to be a

covert organization, its officials and activists will act responsibly. Look at Rached (Ghannouchi): When he makes his own statements about it, he speaks in one fashion, and when he speaks in his official capacity, he weighs his words. In general, anyone who feels his actions are going to have consequences for which he will be responsible is going to be more careful.

That is why I say legalization helps discourage extremism. Legalization focuses peoples' attention on you. Everyone is watching you, debating your proposals. That would be a positive development, but its "positiveness" requires the elimination of all those things that create tension. Otherwise, it would be like someone in a room overheated by "kanouns" who puts a chunk of ice beside him to cool things off in his immediate vicinity. But the heat is too strong and may melt the ice. We are afraid the initiative will be destroyed by these "kanouns" that flare up from time to time. We are afraid one of them will explode, which would have consequences for the entire country.

[REALITES] You said recently you were ready to work within the constraints of the political party legislation. But this law prohibits mixing religion and politics. Do you accept this provision?

[Mourou] I am not in favor of mixing religion and politics. For me, political action is inspired by programs and emanates from organizations expressly political in character, not from mosques. Political action is not based on religious feelings; it does not allow one person to say who is and who is not a Muslim; it does not allow anyone to pretend to be the sole arbiter or interpreter of Islam. I am against that. I have always said so.

When I was speaking on behalf of Ennahdha, I said that our movement does not claim to be the sole authority on Islam. I spoke out against the use of mosques for political action even before the government did. And here is the proof: since 1981—the last sermon I made was on 16 July 1981—more precisely since 1984, inasmuch as I spent two years in prison and one year under house arrest—I have not once entered a mosque and tried to give a speech. Even before promulgation of the law punishing anyone who speaks without authorization, I followed that principle of my own accord. I was exercising self-censorship, because of my conviction that the mosque is a place for people to pray and learn the precepts of their religion, not a place for politics.

Some people tell me Islam is a unity that does not distinguish between religion and politics. I tell them that in Islam one does find rules concerning politics, for example concerning the exercise of power. But it is also true that Islam does not distinguish between praying and taking care of one's own body. Is that any reason for soccer players or gymnasts to play a match or do exercises in a mosque? Keeping political action out of the mosques does not contradict the principle of Islam's universality. Certainly, Islam embraces all of life. That universality exists at the level of ideas, but in practice

there must be specialization. That is why we have soldiers in garrisons, students in schools, worshipers in mosques, and judges in courtrooms. Society, which has many different needs, cannot satisfy them all in one place. That would lead to anarchy.

Political action should not be carried out in the mosque. This is true not only for me but for the political authorities too. Political action should not be consecrated, because consecration precludes debate.

That is my opinion concerning the law and parties and the question of amalgamating politics and religion.

However, the choice of political theory and the sources of inspiration for any political action are up to each individual. The individual is free to choose his political principles.

[REALITES] Some sources close to the government say the latter may fear that if recognition is granted to the group you are forming, the party may subsequently be penetrated and ultimately taken over by radicals. What do you have to say about that?

[Mourou] A legally operating party maintains records of its members, membership cards. These reflect support for political action based on some specific program. The party will have by-laws, which members must agree to respect. They must fit into a mold that will not be changed solely for their convenience. And if they want to join the party to change its mold, the law on parties is there to ban the party from political activity and rescind its certification. The minister of interior has the right to rescind certification if the aim of your organization has changed.

If a party is acting openly and in a law-abiding way, with an initial cadre composed of people who believe in what they are doing and sincerely support the program they publicly espouse, I do not think the government can refuse them.

Very often we are accused of double-talk and hypocrisy. That is a serious accusation, because in politics the only proof of sincerity is action. Moreover, what is said publicly puts pressure on the person who said it, because others are going to watch to see whether or not he carries out what he said.

If we are ready to unveil our program and engage in politics legally—in other words, if we permit ourselves to be scrutinized and regulated, not only by the law and the machinery of government but also by the community as a whole—what have we to fear? There is no basis for fear, since control will be exercised by the government, the courts and the police, whose role is to enforce the law.

Just like a businessman, I am going to open a "shop" to "sell" a political program, which consists of respecting the party legislation, of not resorting to violence, and of keeping political activity out of the mosques. After obtaining the certificate and letting some time elapse, I



tell myself that by now they must have forgotten and I go preach in a mosque and distribute tracts. The consequence is that I will be punished and political activity will be stopped. So I appeal not only to the government but also to the nation as a whole to exercise its right to keep a part of itself under close watch. A part of the national community wants to take a certain course of action, and we want the people to bear witness.

## Mzali Outlines Proposals for Political Reform

### Six Proposals Detailed

91AA0300A London AL-SHARQ AL-AWSAT in Arabic  
22 Mar 91 p 3

[Article by Tunisian ex-Prime Minister Mohamed Mzali: "Plan to Overcome Crisis in Tunisia"]

[Text] Tunisia is experiencing an acute political, economic, and social crisis. Acts of violence have taken place one after another throughout the country and have been followed by arrests and trials cited by the statements of Amnesty International, by the Tunisian Human Rights League, and by some of the world's newspapers.

While denouncing the violence, whatever its source, I still believe that the causes of the crisis are fundamentally political. This is why I believe that they can only be dealt with politically and that tackling them with a purely security-oriented approach can only make things worse.

This is why I have decided to offer some proposals dictated to me by my love for Tunisia. What has spurred me to consider these proposals is our children's and grandchildren's future and the desire to secure for them the means of dignity, impregnability, and freedom. I have also been spurred by an eagerness to see Tunisia continue to be a center of enlightenment in the Arab Maghreb, the greater Arab homeland, and the Mediterranean basin in a difficult historical phase, which nations, especially the Arab nation of which we constitute an indivisible part, are passing through.

To turn over a new leaf and to face the future bravely, we have to march to the end of the road with unbending will and with firm resolve, not with hollow slogans or by falsifying reality or flattering the capricious.

I propose to my Tunisian brothers and sisters a plan which relies on the following points:

#### 1. Real legislative amnesty:

We cannot profess something and do the opposite. If we truly wish to entrench national harmony and spread security in people's hearts and minds and thus create a fresh climate conducive to the conclusion of a new social contract in a transitional phase, then we must give up half-solutions.

This legislative amnesty must be real and comprehensive, containing no selectivity or exception. It must apply

to the victims of malicious trials spurred by direct or indirect political motives. It must also apply to all patriots, regardless of whether they do or do not support the new regime, whether this regime is or is not pleased with them, or whether they have opted for exile or decided to return to their homeland.

The people are truly aware that neither those who have chosen to return, such as (Sayed Ben Saleh) who is still denied his rights to this day, nor those who have decided to stay abroad and judge by deeds not words, have enjoyed the adulterated amnesty that was declared. In contrast with the comprehensive legislative amnesty in sisterly Algeria, [our] amnesty has entrenched estrangement and exclusion and has created a climate for despotic opinion and decision-making.

The regime can, of course, obviate this point, rather this flaw, by declaring bravely a true general amnesty that turns over a completely new leaf and rehabilitates the country and all its citizens.

We wonder: What does a regime which has declared that it has gained an overwhelming democratic majority (99 percent of the vote in all parts of the country) fear?

A true legislative amnesty which contains no exceptions and which does not deny thousands of Tunisians their civil and political rights and their sources of livelihood will enable these thousands to turn into vital forces serving the nation instead of joining the army of malcontents and inflating the country's unemployment rate.

#### 2. Real guarantees for public liberties and the entrenchment of democracy:

We cannot move forth toward our fateful objectives unless we provide real guarantees for the practice of democracy. It seems to me that four of these guarantees are of the utmost importance:

##### A. Judiciary guarantees:

Arrest, precautionary detention, indictment, trial, and incarceration procedures must inevitably be subjected to explicit, precise, and fair laws and controls implemented to the letter by the security and judiciary authorities so as to leave no place for error or violation. Efforts must be made to accelerate the transfer of prison administration to the Ministry of Justice as in all democratic systems.

In this regard, important reforms must be introduced. A long time may be required to incorporate these reforms. However, swift and fundamental steps must be taken immediately because of their urgent nature, such as steps to limit precautionary detention periods, ensure the physical safety of detainees, and provide them with the legal support to which they are legally entitled as of the first moment of their detention. This is in addition to detainees' constitutional guarantees and the preservation of their physical and moral dignity.

These minimal guarantees are what prevents recurrence of the violations committed, of the acts of violence and

torture perpetrated, and the numerous trumped up trials, which have often been denounced by Amnesty International and by the Tunisian Human Rights League under the old administration and the new administration. These primary guarantees are a primary condition for creating a sound climate to help spread democracy in society.

#### B. Recognition of all political movements:

This recognition must be automatic and without any exclusion or exception. Refusal to recognize because of the alleged danger that could threaten public security is a justification that no longer convinces anybody. Besides, should any political movement swerve from the path of legitimate action and embark upon adventurism or violence, then legal measures controlled by independent judiciary authorities would be a deterrent.

So, it is not the regime's business to engage in guessing with regard to recognizing parties. This issue should be entrusted to the judiciary.

#### C. Minimal guarantees of the freedom of expression and freedom of the press:

In this regard, the regime must lift its hand from all direct or indirect censorship. The judiciary alone has the right to impound the press within the framework of a fair liberal law. There should be no place for pressuring and intimidating the press and no place for any political trials either.

#### D. Mixing party with government:

For a long time, the single party has been mixed with the government. This has well-known historical reasons that will take long to explain. But now that voices have risen demanding change, isn't it time to abandon this anti-democratic mixing for good?

As long as plurality is a reality, then is it reasonable for the ruling party to continue to confuse the rules of the democratic game by combining the task of its chairmanship with the task of the president of the republic?

The rule of not combining the two tasks, even if agreed upon only tacitly, is the guarantee of democracy. This is the rule that has been respected by other countries which have preceded us in the democratic process. Without turning his back on his political family or dispensing with its support, didn't Francois Mitterand give up his post as secretary general of the French Socialist Party as soon as he was elected president of the republic?

We find numerous examples even in African countries newly introduced to democratic behavior. In a statement to *JEUNE AFRIQUE* (edition 1566, 2 January 1991), Denis Sassou-Nguesso, the president of the Congo, said:

"I will give up chairmanship of the ruling party because the president of the republic must be an umpire above political organizations so that he can give each one of

them equal opportunities." This rule may not be incorporated into a law or constitution but it could be tantamount to a tacit agreement enabling the head of state to be truly the president of all his citizens and to prevent the government from becoming the ruling party's tail.

This entails no curbing of the president's powers or weakening of the president. The objective is to enable the president to undertake his sublime responsibilities under proper conditions of loftiness and tranquillity so as to serve the interests of all under the canopy of the message entrusted to him by the national faction.

#### 3. Forming a national coalition government whose tasks are confined to organizing free elections to elect a constituent assembly that drafts a constitution which would act as a basis for the second republic.

The conditions for transformation from one administration to another are precise conditions, of which the most important is full adherence to the requirements of the transformation by all the political sensitivities that form society and their complete support for the transformation's objectives and dimensions. Therefore, those in charge of the transformation must surround themselves with the maximum guarantees needed to accomplish the transformation successfully. This is why we believe that forming a national coalition government constitutes the first fundamental step toward accomplishing the desired transformation and entrenching the desired second republic.

The phase of severance from the past is a difficult and delicate phase. We must spare Tunisia any storms emanating from this phase and must safeguard against transforming the severance into estrangement. It is unfair to continue the oppressive practices under the slogan of "national unity" or the "nation's consensus," thus putting our country in a direction opposing the direction of history.

#### 4. A new constitution:

The change of 7 November 1987, regardless of how much we disagree in assessing its political and constitutional nature, represents a decisive break with President Bourguiba's legitimacy. The creator of the Republic of Tunisia combined popular legitimacy, bestowed upon him by elections—even though presidency for life introduced a unique element into the constitutional dialogue—with historical legitimacy in his capacity as the liberator of his country and the founder of the first republic in this country's history. Turning over this new leaf requires creating a second republic.

This is what dictates the approval of a new social contract on new constitutional bases.

This is how the situation has been in several eras of the history of various countries, including, for example, the history of France where a new constitution was established on the occasion of every profound transformation

experienced by the French people. This entrenched the new administrations and gave them their political, economic, and social content which responded to the people's aspirations. The latest such transformation was the foundation of the fifth republic in 1958 and the accompanying promulgation of a new constitution which continues to be in effect to this day.

The Third World, including the Arab and African countries, is not devoid of similar experiences in which new constitutions established a new reality characterized by plurality, considering that new constitutions and qualitative transformations have been produced in sisterly Algeria, (Benin), Togo, Guinea, Burkina Fasso, and other countries.

For this purpose, constitutional committees representing all the political tendencies met to draft constitutions to be submitted to the peoples for referendums followed immediately by legislative, presidential, and municipal elections held on this new and fair basis of the people's will. So why should Tunisia stand alone among the rising nations and the East European countries by being content with an improvised constitutional patchwork which has not convinced any patriot or impartial observer, which has not produced the intimated reforms, and which has been proven by time not to be the beginning of the new era—that desired era which can be proclaimed strongly and resolutely only by a new constitution that translates the people's will, embodies their aspirations, defines their objectives, and guarantees their liberties.

#### 5. Popular referendum:

When the constituent assembly approves the draft constitution, I propose that it be presented for a popular referendum. If approved by a majority of citizens, Tunisia will have begun its first year on the path of the second republic.

#### 6. Holding presidential, legislative, and municipal elections:

On the basis of the dictates of the new constitution—dictates which can be clarified by laws that govern polling and that can be agreed upon—presidential, legislative, and municipal elections should be held within a reasonable time and under the canopy of completely clear and free guarantees that are agreed upon in advance.

These are the six proposals dictated to me by my duty as a citizen. I submit them to the Tunisian people in their entirety while fully confident that all the citizens concerned with our beloved country's future, regardless of their affiliation, will consider them seriously and say their word on them.

This cultural adaptation which emanates from the genuine character of the Tunisian people and which responds to their aspirations is, in our opinion, the only way to surpass the crisis. I am also confident that many of the ruling party's strugglers wish deep in their hearts

that such a program will be accomplished. Should the efforts unite to accomplish this program successfully, it will open for Tunisia a new era of national tranquillity, reassurance, and harmony and of a national presence which we most direly need instead of allowing Tunisia to be led by some to the path of force, exclusion, and violence.

It is no secret that the more oppression is added to the accumulated differences, to dispossession, and to the growing number of grudges, the more intensely the fuse of hatred will burn and nurture the sedition of disunity in a society which is in the direst need of instilling harmony in the people's hearts and dressing their wounds.

Let all remember that stifling democracy will not mean "establishing security" because the impenetrable shield against tremors and splits is free and spontaneous agreement among the people in their entirety on a number of cultural values and political principles that regulate their lives in the framework of choice for the majority of the people.

A true democracy that is not distorted by exclusion, deception, or double-talk continues to be the ideal way, rather the only way, to ensure legitimacy and guard against oppression and the exclusive control of power in a world that is witnessing daily the blowing winds of freedom and of mass liberation and a world in which it does not behoove Tunisia to isolate itself on the debris of foiled dreams or on the ruins of the past with all its positives and negatives.

The hour of awakening is undoubtedly coming.

Perhaps the people's noble objective at present is to unite the efforts of their loyal sons so that the desired awakening can constitute the beginning of a truly new era sheltered by freedom, social justice, economic prosperity, and Tunisia's restoration of its prominent position in the region and the world so that this awakening doesn't constitute a leap into the unknown.

With this spirit, let us storm together into the threshold of the 21st century, reinforced by deep faith in God and strengthened by the trust of our genuine and brave people.

And say: "Work (righteousness): Soon will God observe your work, and His Apostle and the Believers" [Koran, 9:105].

#### Mzali's Intent Analyzed

91A40300B London AL-SHARQ AL-AWSAT in Arabic  
22 Mar 91 p 3

[Article by Qusay Salih al-Darwish: "Mohamed Mzali Returns to Politics With Initiative"]

[Text] With the above document, former Tunisian Minister Mohamed Mzali has broken the political silence to which he has clung since the 7 November 1987 coup. He

has explained this silence as an attempt to demonstrate goodwill toward President Ben Ali and to assure him that Mzali will not join the ranks of opposition to the regime. Throughout this period, Mzali did not abandon his silence until the end of last year when he condemned Iraq's occupation of Kuwait in a statement he issued in Paris jointly with (Ahmed Bannour) and (Ahmed Kaderi). Even though the statement touched on neither the Tunisian regime's positions toward the Gulf crisis nor on Tunisia's policy, it did anger the regime. The papers loyal to the regime and connected with it launched a campaign against Mzali and against the statement's signatories. One of these papers went as far as saying that "petrodollars revive the dead!"

So, even though it has been the judgment of regime circles that Mzali has ended his political career, these circles have continued to watch Mzali and carefully observe his movements in Paris, especially since he has not stopped contacting and receiving opposition leaders and figures from all tendencies, but without allowing these contacts to produce or to turn into open political activity. There is no doubt that the regime has wished that Mzali and other political figures would return to Tunisia as Ahmed Ben Saleh and Taher Belkhouja have done so that the regime could use the mechanism of pressure to control these figures. But as long as they have not done this and as long as they continue to live abroad, the regime's security eye won't feel safe.

The first observation on this document, which undoubtedly constitutes a new political movement by Mzali, is that its author does not proceed from the position of self-defense and from his experience in government, as he did in the interviews he gave and the literature he published in the wake of his escape from Tunisia. Moreover, he does not speak from the position of a victim who has suffered an injustice, as he did previously. Rather, he proceeds from the position of a political offensive that offers a complete political vision for overcoming the crisis facing Tunisia.

The second observation is embodied in the fact that the document does not directly touch on President Ben Ali's regime and does not make direct and specific criticism. It does, however, proceed from a clear critical vision of the regime's reality and it does offer proposals contradicting the regime's address and method of government. The third observation concerns the point that the formula offered by the document is similar to the background of a broad political front which can be founded on the basis of the document and which can work to develop this document and operate on its basis. On the other hand, most of the proposals contained in the document are political demands put forth separately by the Tunisian parties at varying times. The new and important thing in these proposals is the demand for electing a constituent assembly that works to change the constitution and that is preceded or followed by the formation of a national coalition government to hold presidential, legislative, and municipal elections. Since Ben Ali was elected president, this is the first time that a

Tunisian politician has demanded that presidential elections be held. One must note the importance of the timing of the document. It has come at a critical time when a comprehensive confrontation for power is likely to occur between the regime and Ennahda Movement in the wake of the series of successive acts of violence and ceaseless acts of oppression and detention. The document also comes at a time when the licensed opposition parties live in a state of chaos, division, and weakness because of their ambiguous and contradictory relations with the regime and because of the rivalries, sponsored and encouraged by the regime, within each party.

Moreover, the document comes at a time when the Tunisian scene has been experiencing a psychological shock since the conclusion of the Kuwait war in the manner in which it has been concluded. These parties indulged themselves and engaged in unchecked vituperation and oneupmanship over a demagogic address supporting Saddam Husayn.

What is more, the oneupmanship turned into an act meant to mislead public opinion by trying to convince it that it was possible for Saddam Husayn's army to triumph over the allied countries. It is premature to talk about the result of this shock. But it will certainly have a negative impact on the credibility of these parties and on their capability to garner support and act.

This is why Mohamed Mzali's movement comes as a new element in [Tunisian] political life. Mohamed Mzali has not founded a party; he has not engaged in revilement and acts of oneupmanship supporting Saddam Husayn. He, along with (Masmoudi and Bannour), is one of the few Tunisian politicians who have taken a distinctive position on the occupation of Kuwait.

Moreover, the fact that Mzali has no party permits him to project himself as the likely head of a broad national opposition front. His noninvolvement in the oneupmanship policy concerning Iraq makes him acceptable to the parties that are concerned with Tunisia and that play a role in supporting the Tunisian economy at a time when Mzali cannot be accused of non-Arab tendencies. One thing for which Mzali was faulted was his Arab tendencies and his plan to strengthen the Arabization process.

There remains Mzali's experience as prime minister—an experience which created numerous sensitivities and hostilities towards him. On this, Mzali's friends assert that in the past three years, Mzali has conducted a comprehensive critical review of his experience and of his dealing with the regime's other politicians. These friends add that we must not forget that Mzali was prime minister in a very extraordinary phase, considering that a special "mechanism" of government was in place because of Bourguiba's illness, and that he was not able to change this mechanism. Mzali had one of two options only: Either accept the "mechanism" until the circumstances changed or resign. Mzali acknowledges, according to his friends and to past statements, that his main mistake was that he did not resign. This is because



the pretext of loyalty to Bourguiba should not be enough to accept anything, especially for Mzali who, with his psychological and cultural makeup, was unable to consider plotting against and overthrowing Bourguiba.

It seems that Mohamed Mzali has successfully repaired his relations with some of his former adversaries, including Ahmed Bannour who was the reason for dismissing Mzali from his position as secretary of state for security in the wake of the bread riots.

Mzali wants to establish new relations dealing on the basis of present realities and conditions, not on the basis of past experience. This is why he lays down democracy—the banner flown by the various political parties—as the cornerstone of the proposals contained in his document.

In these circumstances, it is not unlikely that Mzali could succeed in projecting himself as the alternative that could create the least tense conditions. The former bases of the Destourian Socialist Party could rally behind him. By virtue of the development in the nature of the regime, these bases have found themselves without a framework or a platform. They could meet with Ennahda Movement which believes that it has no real chances of assuming power in this phase, at least because of the reservations which all factions within the regime and in the opposition parties feel towards and because of the fear they evoke in them. This is why this movement could find in Mzali a suitable partner for this phase—a partner who ensures that the movement's affairs are put in order in a democratic climate. If this polarization process materializes, then many of those expelled by the regime and harmed by it, and their number is not small, will find in Mzali an opportunity to ride a train that could surge forth in the direction of power and that has the chances to actually attain it.

For all this, the regime will not receive this document with satisfaction. Rather, the regime will undoubtedly work to block its path by all means given the document's potential ramifications. The way to achieve this could be to put pressure on Mzali and those who could rally behind him and establish an alliance with the existing opposition parties, or at least with some of them, to open a gap in the wall of the crisis and to alleviate its impact. In this case also, Mzali's document will have accomplished an important result.

#### **Bank Official Discusses Option To Float Dinar**

91AA0289A London AL-SHARQ AL-AWSAT in Arabic  
31 Mar 91 p 9

[Interview With Ahmad Karam, General Director of Exchange and Commerce at Central Bank of Tunisia, by 'Ali al-Qulaybi; place and date not given: "Tunisia Inclined to Float Dinar Exchange Rate; Hard Currency Reserve Has Dropped to \$500 Million"]

[Text] Tunis—AL-SHARQ AL-AWSAT—At a time when the Tunisian economy is encountering major difficulties, especially at the level of tourism and exports, and a decline in hard currency revenues, considering that figures provided by the Central Bank of Tunisia indicate that the country's hard currency reserves amount to \$500 million which is enough to meet Tunisia's foreign imports for 40 days only—at this particular time, there has been much talk in Tunisia's financial and banking circles about the possibility of floating the Tunisian dinar.

It seems that the main objective the Tunisian Government seeks to achieve through this step is to look for a pragmatic and successful formula that enables it to attract more foreign investments and to bolster the competitive capabilities of its exports, keeping in mind that Arab and foreign investors fault the Tunisian Government for its reluctance to float its currency.

On the issue of floating the Tunisian dinar, AL-SHARQ AL-AWSAT has conducted the following interview with Ahmad Karam, the general director of exchange and commerce at the Central Bank of Tunisia:

[Qulaybi] There has been much talk recently about floating the Tunisian dinar. Has this step become imminent?

[Karam] In fact and as stated by the ministers entrusted with the economic sector and by the governor of the Central Bank of Tunisia, floating the dinar is a process determined more by the market than by the government. This is because what one should fundamentally seek is to defend the dinar's value. This is why there has been talk about floating the dinar as a fundamental objective on which the eighth development plan can rely. It is an objective that can be accomplished after completing the structural economic reforms that seek to introduce greater flexibility in the area of initiative and to entrench market activity as a basis for adjusting and controlling prices.

This tendency is important to all market sectors, including the exchange sector. As 70 percent of the imports have been freed and as the release of prices has been initiated, consideration has to be given to floating the exchange rate.

The fact is that economic circles in Tunisia deal in the dinar freely because they can purchase foreign currencies totally free to import the goods they need for their activity, and also to import numerous services. Recently, the Central Bank allowed the remittance of the profits of foreign investments with total freedom from all threats.

[Qulaybi] Do the economic circumstances Tunisia is experiencing at present permit floating the dinar?

[Karam] The structural reforms initiated in 1986 have attached importance to the economic aspect, especially to freeing the economy and bolstering its competitive capabilities abroad. In recent years, there has been a

noticeable improvement embodied in the decreased deficit in the trade balance, thanks to the constant growth in exported goods and services. If the exports volume has retreated somewhat in 1990 because of the international economic slowdown, then we expect the incentives given to spur exports to lead to increased export revenues as soon as the complications of the Gulf crisis and the international economic recession are brought under control.

As for inflation which has risen to 7 percent, we hope to bring it under control and to restore it to the levels registered in the countries with which Tunisia deals economically, especially the European countries where the inflation rate is estimated at 4.5 percent, keeping in mind that controlling inflation and restoring equilibrium to the trade balance is likely to strengthen the possibility of a more comprehensive and a quicker floating of the dinar.

[Qulaybi] Does Tunisia's foreign indebtedness, amounting to nearly \$6 billion, impede floating the Tunisian dinar?

[Karam] Compared to other countries similar to Tunisia, our country's foreign indebtedness is considered acceptable, especially since all indicators of indebtedness have been brought under control in recent years. As of 1981, Tunisia has resorted to long-term loans which now constitute 70 percent of the foreign debt whereas they used to represent 60 percent. In the 1986-90 period, the debt proportion dropped from 60 percent to 50 percent of the domestic product and from 28 percent to 22 percent of commodity and service exports. Thus, debt pressures on economic growth have been brought under control. The government plans to continue to exert efforts to reduce the proportion of debt to rely as much as possible on domestic savings and direct foreign investments, considering that the Tunisian economy now permits the development and quick implementation of foreign investments so that they can return an adequate yield. In addition to the open-door policy that the country has followed and which it plans to continue to enact, Tunisia has enjoyed a good reputation by meeting all its obligations on schedule.

## REPUBLIC OF YEMEN

### Food Hoarding, Price Rise Link Forces Crackdown

91AE0323B Sanaa AL-THAWRAH in Arabic  
20 Feb 91 p 5

[Interview with Muhammad 'Abdallah 'Uthman, director of Office of Supply and Trade, by 'Abd-al-Karim 'Ajlan in Ta'izz; date not given: "Foodstuffs Available in Increased Amounts"]

[Text] ['Ajlan] Citizens in the city of Ta'izz are complaining about suddenly rising prices for food and other things—prices that are increasing day after day. This has

led to many questions about this situation that affects poor citizens who fall victim to this problem. People say that the cause of it is lack of supply surveillance in the city generally and especially in rural districts, which also suffer from lack of supply surveillance. This is one of the most important aspects of everyday life for citizens, especially those with limited income who may be supporting ten children and want to feed and satisfy them with the best food. Many obstacles, however, lie before them. There is the greed of merchants and grocers, who play with prices as they wish and without regard. People say that even if a supply agent is present, he does not perform his job properly, and this leads to laxity. We therefore raised this subject with the director of the Office of Supply and Trade, Muhammad 'Abdallah 'Uthman. He clarified aspects of the problem in the following interview.

### Apprehending Violations

['Uthman] The Office of Supply and Trade in Ta'izz governorate has not stood idly by. The monthly and yearly reports are the best proof that many violators have been apprehended. In 1990, 1,683 violations by merchants playing with prices were apprehended. In 1989, 1,145 violations were apprehended. If one compares, one sees that in 1990 more violations were apprehended than in 1989. This proves that supply surveillance over main and branch markets has been increased and intensified. A total of 1,193 violations were turned over to the Office of the Prosecutor for Supply and Trade in 1990; the remainder were resolved within the office. The Office of the Prosecutor for Supply is the main agency responsible for the operation of implementing, detaining, and imprisoning, under the law which has given it this power.

### Effective Surveillance

During 1991, we are in the process of intensifying effective surveillance efforts in order to produce the practical effect of market stability, particularly in basic foodstuffs. The office constantly coordinates with the Ministry of Supply and Trade and provides their people with periodic reports about specific supply conditions, so that basic commodities can flow constantly into the markets in the governorate, thus helping to stabilize their prices in light of effective supply surveillance, particularly during this period.

['Ajlan] He said the following about playing with prices by merchants:

['Uthman] The main reason for merchants' playing with food prices, especially those of basic foodstuffs, is the great demand by citizens to buy these goods for hoarding. Demand has increased because of events in the Gulf. Citizens fear the results of the ongoing war, and this has caused confusion in the market and in the supply situation despite the flow of large amounts of these goods and their uninterrupted and increasing arrival in the governorate. The minister of supply and trade constantly

monitors the situation to cover the need of the market. Much has been accomplished in spite of the current international and local economic crisis. In this regard, we urge citizens to buy only what they need of these commodities. Things are fine, thank God, and our country is peaceful—thanks to God and to the efforts of the political leadership represented by Lieutenant General 'Ali 'Abdallah Salih, who is giving all his attention to making the country prosper and averting any adversity. There is no call for fear.

It becomes clear from statistics and from study of market conditions that many basic foodstuffs are reaching the governorate—perhaps approximately twice as much as came in the previously period of last year.

#### **New Surveillance Branches**

[Ajlan] Muhammad 'Abdallah 'Uthman said the following about the need for supply officials in rural districts:

[Uthman] We are deployed in all areas of the governorate. The office has branches in all districts and counties of the governorate. The operation of apprehending supply violations is proceeding according to the plan for these branches and in accordance with the facilities available in the markets. Commerce in those districts is normal. For 1991, we have a plan to spread out inside the city of Ta'izz by opening branches or surveillance headquarters in the city and inside the main markets to apprehend supply violations as they occur. This will assure that citizens are justly treated. It will reduce for them the trouble of going to the office to report any violation. We have divided the city into three surveillance zones. A surveillance branch has been opened in one of them; two branches remain to be opened in coming days, God permitting.

#### **Realistic Pricing**

[Ajlan] The director of the Office of Supply and Trade said the following about proposed plans for operating the supply system in a manner that will guarantee the rights of the merchant and the consumer.

[Uthman] The proposed plans fall under the jurisdiction of the Ministry of Supply and Trade. We implement the ministerial plans, instructions, and regulations that reach us from the ministry. However, Supply Minister Fadl Muhsin always listens and reads the office's suggestions that are submitted to him and recommended for adoption.

I believe that one must be fair to the merchant by setting realistic and correct prices. But a very severe penalty should be applied to any merchant who commits a violation, in order to deter him from continuing and repeating his offense.

Finally, I thank the governor of the governorate for his constant and uninterrupted monitoring of basic food shipments to the governorate, as well as for his constant directives through the relevant channels in cooperation with the office in order to apprehend supply violations.

#### **Census of Returnees Announced**

91AE0323A Sanaa AL-THAWRAH in Arabic  
22 Feb 91 p 3

[Article by Muhammad 'Abd-al-Majid: "Census of Returning Expatriates Begins on 28th of This Month"]

[Text] The Central Statistics Agency has finished all arrangements for conducting a comprehensive census of Yemeni expatriates who returned home after 2 August of last year. The Central Statistics Agency began implementing the survey plan more than three months ago in cooperation with the Ministry of Expatriate Affairs on instructions from the prime minister's office.

During this period, census documents were designed and readied, and technical, material, and personnel requirements were estimated.

Dr. Hasan Farhan, head of the Census Information Committee and general director of publications at the Central Statistics Agency, said that a number of authorized personnel had made field visits to various governorates of the country to obtain approximate numbers of the returnees. A plan for field work was made on the basis of these estimates. Implementation of the plan will begin on the 28th of this month. Returnees are to go to registry offices in the subdistricts, counties, and districts of the governorates to provide the required information according to directions included on the census form.

Mr. Farhan said that the census comes as part of the government's interest in the returnees. Its purpose is to learn all aspects of the returnees' real economic and social circumstances, as well as their different talents. In this way, practical measures can be taken to reincorporate them into society and absorb their talents, thereby reviving the national economy. Furthermore, one thus will be able to obtain information about their various needs and requirements and make the necessary plans to deal with these needs and requirements.

It should be mentioned that a group of over 400 workers has been drafted for the operation from the agency's employees and university students.

In cooperation with those working in the census, an information plan for the census has been developed to inform returnees of the importance of the census and of the need to go to the registration centers in the counties and governorates. The information media will play a large role in this respect.

## INDIA

### Comment, Background on Shekhar Resignation

#### Gandhi, Shekhar Talk

91AS0712A Bombay THE TIMES OF INDIA  
in English 7 Mar 91 p 1

[Text] New Delhi, 6 Mar (The Times of India News Service)—A 15-minute telephone conversation between the Prime Minister and the Congress president, Mr Rajiv Gandhi, shortly before the two houses of Parliament met this morning sealed the fate of the Chandra Shekhar government.

What exactly transpired in this crucial phone talk is not known. But its sum and substance, according to well-informed sources, was Mr Rajiv Gandhi's demand for dismissal of the Haryana government and action against Mr Om Prakash Chautala for his alleged involvement in surveillance at his house and the Prime Minister's refusal to do anything pending a probe.

The Prime Minister, who had phoned the Congress president, first asked him if he had reconsidered his decision pending a probe on the surveillance issue. Without mincing his words the Congress leader shot back that there was no need for that as it had already been established beyond any shadow of doubt that the Haryana government was responsible for it under orders from Mr Chautala.

The Congress president said nothing short of "sacking" the Haryana government and action against Mr Chautala would satisfy his party. Unless the government made some commitment on these demands, the Congress would abstain from both houses of Parliament. Notwithstanding the fact that the Congress was committed to support the government, it would not be responsible for floor management in the two houses.

While appreciating the strong sentiments of the Congress members "justifiably exercised" over the issue, Mr Chandra Shekhar reportedly made it clear that he would not be a party to subverting established procedures and norms in a democratic country. A probe must be conducted first before apportioning blame for the surveillance issue. The Prime Minister reportedly offered to order whatever type of probe Mr Gandhi wanted.

While the Prime Minister was in his chamber, the Congress president sat in his own room in Parliament House when this conversation took place. The Prime Minister was surrounded by his cabinet colleagues. Meanwhile, the bell calling members to be present in the Lok Sabha started ringing. At last both leaders terminated their dialogue. The Prime Minister went to the Lok Sabha with a big question mark on the Congress support to his government.

It was against this background that the Prime Minister later announced in the Lok Sabha his decision to quit.

Shortly after adjournment of the house, the Prime Minister held a cabinet meeting where almost everybody present approved the Prime Minister's decision to tender his resignation. Following this, Mr Chandra Shekhar straightaway drove to Rashtrapati Bhavan and resigned.

According to Janata Dal (S) sources, the cabinet at its meeting late last night decided not to buckle under Congress pressure. The cabinet meeting was held after the Congress president had declined to attend a meeting convened by the Prime Minister for discussing the question of holding elections in Punjab.

The U.P. chief minister, Mr Mulayam Singh Yadav, who was to have flown to the capital but could not do so owing to some last minute hitch, was contacted for his views on the crisis confronting the ruling party. Mr Yadav had reportedly assured the Prime Minister that he would back him in whatever course of action he decided to adopt. Mr Chimanbhai Patel, Gujarat chief minister, was also informed of the developments.

#### Opposition Reaction

91AS0712B Bombay THE TIMES OF INDIA  
in English 7 Mar 91 p 1

[Article by Subhash Kirpekar]

[Text] New Delhi, 6 Mar (The Times of India News Service)—In one single stroke, the Congress party today gave an impetus to the opposition parties to combine forces once again in their bid to keep the Congress out of power.

No sooner did Mr Chandra Shekhar announce his resignation in the Lok Sabha than the latent wave of anti-Congressism among various political parties surfaced with a vengeance. As suddenly, there was a new-found "love and regard" for Mr Chandra Shekhar among the opposition parties who applauded his decision to quit rather than face "humiliation" at the hands of the supporting party.

Several Lok Sabha members belonging to the Congress seemed unhappy, if not distraught, over the swift and rather sudden developments that now confronted them with the prospect of facing an election.

Only yesterday, a senior party MP [Member of Parliament], Mr Santosh Mohan Dev, had said at a meeting of the executive committee of the Congress Parliamentary party, presided over by Mr Rajiv Gandhi, that the ground realities were against the Congress gaining a majority in an early election. In fact, it was stated that the Congress would find it hard to retain its present strength of 191 and might not win more than 100 seats.

The Lok Sabha Congress members maintained that neither refuelling of U.S. military transport aircraft nor the controversy over surveillance on Mr Gandhi's residence by Haryana policemen were issues that could



catch the imagination of the Indian electorate. But their views did not obviously make any dent in the thinking of the leadership.

With the Left parties set on a collision course with the Congress, as was evident from the speeches made by Left leaders in the Lok Sabha today and the fact that they joined the other opposition leaders in jointly meeting the President, there was little hope of the Congress drawing support from new sources, should it make a bid to come to power even on a caretaker basis.

But this is precisely what some Rajya Sabha MPs and other political advisers of Mr Gandhi were telling him. They were saying that sizable chunks of the Janata Dal(S) and the Janata Dal would come out to support Mr Gandhi's reported bid to form the government.

This is not going to happen. Aware of this development, the Congress working committee this evening opted for elections.

### Congress-I 'On the Spot'

91AS0712C Bombay THE TIMES OF INDIA  
in English 7 Mar 91 p 10

[Text] Mr Chandra Shekhar's resignation rings the curtain down on the most bizarre experiment in governance the country has witnessed since independence. Scepticism ran deep and wide when he was sworn in as Prime Minister on 10 November last year. The reason, quite simply, was the freakish nature of his government: it had to depend for its very survival on the outside support of a party which commanded vastly superior numbers. Scepticism turned to dismay when eight members of the already minuscule ruling party were disqualified by the speaker for having violated the Anti-Defection Act. Five of them were ministers who could not be replaced for lack of talent in its depleted ranks. The dismay, in turn, soon gave way to consternation as the Congress mounted a relentless war of nerves against the beleaguered government. To his growing discomfiture Mr Chandra Shekhar found himself coping with one charge after another: he had included in his cabinet personalities such as Dr Sanjay Singh and Mrs Maneka Gandhi who were anathema to the Congress; he had failed to get rid of the disqualified ministers; he had not taken care to consult the Congress on vital policy issues related notably to the Gulf war and the budget; his floor coordination was dismal and so on. Every charge brought in its wake a concession—the dismissal of the Karunanidhi ministry in Tamil Nadu, the forced resignation of the governor of Bihar, the dropping of the disqualified ministers, the postponement of the budget—only to be followed by a fresh demand.

Nothing demonstrated the Prime Minister's pathetic state more vividly than the developments that followed the revelation that two Haryana intelligence personnel were engaged in surveillance activities outside the residence of Mr Rajiv Gandhi. Mr Chandra Shekhar did all that he possibly could to assuage the hurt feelings of the

Congress: not only did he condemn the surveillance in unequivocal terms but he also offered an inquiry by a joint parliamentary committee. In the eyes of the Congress, however, all this was not the "adequate action" it had sought to end its boycott of Parliament. To further complicate matters the party did not spell out what in its view would be adequate. Nor is this a surprise for even as it waged its war of nerves the Congress conveyed the impression that it had not made up its mind whether it wanted to regain control over the levers of power, or whether it was prepared for an early election or again whether it wanted the Chandra Shekhar dispensation to last. All that it succeeded in doing was to remind the country over and over again that the government was able to just about breathe thanks to the oxygen provided by its outside supporter. The frequent reiteration, ostensibly made for its own sake, smacked of unbecoming arrogance.

Against this background Mr Chandra Shekhar had no option but to step down if only to salvage his honour. But there may well be more to his move to resign than that. By recommending to the President that the house should be dissolved and fresh elections held he has, in effect, placed the Congress in a spot. On the crucial vote on account Mr Chandra Shekhar has been promised co-operation by all opposition parties provided he heads the caretaker government. It is not at all clear that such co-operation will be extended by all of them to a caretaker government headed by Mr Rajiv Gandhi. If, despite this, the President, going against the established convention, does invite the Congress president to form a caretaker government and should such a government fail to get a majority in the house on the vote on account, the country will be landed with an unprecedented constitutional crisis. The President can be trusted not to take such a major risk; he would want water-tight guarantees in advance that any dispensation headed by Mr Gandhi enjoys a majority in the house. Indeed, Mr Gandhi himself would not want to take the risk if only because the reason he had earlier advanced for declining the President's invitation to form a government—viz that he will return to office only with a fresh mandate—is valid in the present context as well. All in all, it would appear that President Venkataraman would agree to dissolve the house and allow Mr Chandra Shekhar to remain in office until the elections are held. Meanwhile, the reasons that provoked Mr Gandhi to precipitate the crisis must remain an enigma. When he chose to back Mr Chandra Shekhar it was as clear as daylight that he wanted Mr V.P. Singh's tempestuous tenure to end. His aim on this occasion is nowhere as clear. He will need to spell it out when he embarks on his campaign trail. As for Mr Chandra Shekhar, time alone will tell whether his brief spell in office was an aberration or merely a precursor of what lies in store for India's volatile democracy.

### RSS Leader Tells Position on Iraq

91SA0789A Calcutta THE TELEGRAPH in English  
3 Mar 91 p 6

[Text] New Delhi, March 2: With the defeat of Iraq in the Gulf war, the Rashtriya Swayamsevak Sangh (RSS)

has openly come out against Saddam Husayn and sharply attacked Indian Muslims and political leaders for having supported him during the war.

In an interview to the RSS mouthpiece, *Panchjanya* the senior RSS leader, Mr Rajendra Singh, has asserted that the defeat has been a major blow to the morale of Muslim "fundamentalists" who had looked upon Saddam as an Islamic hero who would conquer the rest of the world through the power of faith.

The interview is significant because so far the BJP [Bharatiya Janata Party] and the RSS had officially adopted a neutral stance and instructed its cadres not to take to the streets against Iraq and in favor of the multinational forces. This was partly because of the groundswell of anti-American feeling in India that had been roused by the war and the grudging admiration for Saddam Husayn when he was standing up against a force vastly superior to his own.

But now that Iraq has surrendered completely, the RSS-BJP combine have no compunction in coming out against Saddam Husayn and thereby attack Indian Muslims and the "pseudo secular" political parties who had spoken out against the U.S.-led multinational forces. Though the BJP is likely to be more restrained in its public utterances, party sources indicated that the defeat has given another fillip to the "Hindutva" forces who might turn more aggressive over the Ram Janmabhoomi-Babri Masjid and allied issues now.

Saddam compared to Hitler: In the interview, Mr Rajendra Singh has echoed the U.S. propaganda comparing Saddam Husayn to Hitler and predicted that he will meet the fate of either Hitler or Mussolini. He has said that Saddam was a regional bully and a dictator not inspired by any noble cause.

He said Indian Muslims had supported Saddam because they always want one Islamic country or the other to become a great global power. They did not bother to see the ugly side of the Iraqi leader, he said.

He went on to say that what was more objectionable than the Muslim community's support for Saddam Husayn was the stand taken by certain political parties. They had taken a pro-Saddam position only in order to get the Muslim votes.

Pointing out that the British government had forbidden prayers for Saddam Husayn in the mosques of Britain, he said the Indian government too should not have allowed pro-Saddam demonstrations.

### Politicization of Mandir Regretted

91P40234A New Delhi JANSATTA in Hindi  
1 Apr 91 p 6

[Article by Keshava Chandra Verma: "Attention Needs To Be Payed Not Just to the Vote, But to the Faith"]

[Excerpts] Unvanquishable Ayodhya now is not the capital of any earthly kingdom. It is also not involved in any administration's revolutionary attempt to facilitate the bringing of heaven on earth. It is merely an election topic. Even though our country is a secular one, attention is being forceably drawn to Ayodhya due to the [political] efforts of a particular community. It is a different matter that in a given year, a million pilgrims arrive from every corner of the country to Ayodhya to pay homage to Ram. These pilgrims are the ones from whom every five years and sometimes more often, politicians can be seen demanding votes in order to make it easier to sustain the effort to get the booty of seats [in parliament]. Yet, due to their carelessness and apathy in regard to the predicament of the common man, they have often met with resistance. Pilgrims also have responded to this carelessness by denouncing [politicians] or being apathetic.

The 125 km of track between Ayodhya and Prayag [ancient name of Allahabad] is traversed by trains taking 18 hours to cover the distance. Inside the boxcars are mere benches. The windows have no glass or shades. There are no watertaps in the bathrooms, often not a drop of water. Even so, the pilgrims from Kerala, Tamil Nadu, Gujarat, Maharashtra, Bengal, Assam, Rajasthan, and Punjab come to see Ayodhya when on pilgrimage to Kashi and Prayag. No legislator or rail minister will reply as to who has shirked the responsibility of addressing the continued poor conditions and lack of reliability of these trains while the fares keep on increasing. Is the government not responsible for the pilgrims, who because of their faith, have been coming to Ayodhya for countless years? Should they [government officials] not have to suffer too?

Once, two rail ministers appeared on the scene who called themselves Lohiyas [iron-worker caste]. They increased the number of boxcars and the speed of trains used by the well-to-do in the big cities. However, they never used their power to facilitate travel of ordinary people to the primary pilgrimage destinations. Those who work in one city and commute to another for work, were provided additional, faster trains. Yet many Krishnas [pilgrims] continue to make the often 18-hour journey from Prayag to Ayodhya sitting on broken benches, without water, their bundles on their shoulders, all the while inhaling the odors of the dirty lavatory.

The map of Ayodhya has been changed. If you can endure all the aforementioned difficulties and somehow get to Ayodhya, it will strike you that you have not reached a holy place of pilgrimage, but instead a police cantonment. The Ayodhya in whose lanes you would continually encounter sadhus [renunciants], saints and holy men giving darshan [sight which gives blessing] to pilgrims, the Ayodhya in which you could hear religious chants and the distant echo of the reading of Ram Charit Manas [holy texts], that Ayodhya is now full of police carrying guns. They can be seen eating bananas and nuts, discarding peels and shells on the ground [an insult to holy ground]. They stand behind the crowd, their guns

ready, giving permission for pilgrims to proceed. Ayodhya is locked behind an iron gate!

In this atmosphere, the mandir of Ram's birthplace has become more an object of universal curiosity than a symbol of individual faith. The politics from all quarters stinks so badly that the very soul of Ayodhya is incapable of tolerating it. [passage omitted]

The vote-seeking leaders of this country have never understood the impregnable nature of pilgrims. The elite have come to regard pilgrims as second class citizens. Despite this neglect and nonacceptance, the common people remain steadfast. They remain the nerve center. Despite the formidable attempt [by the elite] to lay waste the foundations of Indian culture, the common people remain unmoved and continue to flourish. In politics, the vote-grabbers who regard Ayodhya as a communal place not worthy of their atheist bent can be seen in the example of the Lohiyas. [passage omitted]

It is essential that we become awakened not only in regard to Ayodhya, but other places of pilgrimage as well and think about our responsibilities regarding these holy places.

#### **Text of Interim Budget, Finance Bill**

##### **Interim Budget Speech**

91AS0694A Madras *THE HINDU* in English  
5 Mar 91 p 6

[Words in italics as published]

[Text] New Delhi, 4 March: The following is the text of the statement made by the Finance Minister, Mr Yashwant Sinha, when he presented the interim budget for 1991-92 in the Lok Sabha today.

Sir,

I rise to present the interim Budget for the year 1991-92.

The new Government, which assumed office in mid-November 1990, inherited an economic situation of crisis proportions. The budget deficit of the Central Government reached a level of Rs [rupees] 13,000 crores, on 30 November 1990, as a consequence of revenue shortfalls and expenditure overruns. The Wholesale Price Index registered an increase of 8.5 percent while the Consumer Price Index rose by 11.9 percent, during the first eight months of the current financial year. The sharp deterioration in the balance of payments situation led to a rapid depletion of foreign exchange reserves, which dropped to Rs 3,142 crores at the end of November 1990 and this sum was not even sufficient to finance imports for one month.

These developments were not an unfortunate coincidence, but were the outcome of shortcomings in the macro-management of the economy in the past. I say this neither in spirit of acrimony nor with a desire to apportion blame. But the time has come for the Government

to share its concerns with the Parliament and the people, in an endeavour to evolve a national consensus, so that the restoration of the health of the economy is perceived as a collective responsibility.

Macro-economic imbalances which have been large and persistent are at the root of the problem. The fiscal deficits of the Government had to be met by borrowing at home. The current account deficits of the economy were inevitably financed by borrowing from abroad. The burden of servicing the accumulated internal and external debt has now become onerous. I need hardly stress that neither the Government nor the economy can live beyond its means for long. The room for manoeuvre, to live on borrowed money or time, has been used up completely. The short options have been exhausted.

#### **Oil Shock**

It is not surprising that the persistent fiscal imbalances have accentuated inflationary pressures in the economy and strained the balance of payments. Thus, even at the beginning of the current financial year, the economy was in a serious fiscal crisis and faced a very difficult balance of payments situation. These problems have been sharply exacerbated by the oil shock and the dislocations caused by the crisis and the war in the Gulf. We have experienced a deterioration in the fiscal situation. Consumers are faced with double digit inflation. The economy is faced with a balance of payments crisis. The impact of the Gulf war on the economy, in the year to come, is difficult to assess fully at this point of time. The level at which international oil prices would stabilise thereafter cannot be predicted.

On assumption of office, we could not have waited and allowed a further deterioration in the budgetary situation. Therefore, without losing any time, I introduced a package of measures to mobilise additional revenue. Steps were taken to improve tax compliance and revenue collections. The strictest possible control was exercised on expenditure. At the same time, I had also assured the Parliament that the Government attached a very high priority to fiscal consolidation, even if it meant hard decisions and difficult choices which had been postponed for long. I would like to stress, once again, that my commitment to fiscal adjustment in 1991-92 remains firm and irrevocable.

#### **Medium Term Perspective**

In the difficult set of circumstances, where the uncertainties remain, we shall need some more time to evolve a comprehensive strategy for restoring the health of the economy. In formulating the Budget, we want to ensure that such a macro-economic adjustment does not disrupt the rhythm of the growth process and does not place a burden on the poor. What is more, the process of fiscal correction needs to be situated in a medium term perspective. We are engaged in the formulation of a comprehensive approach which would provide a satisfactory and sustainable solution to these problems. This needs time. I would, therefore, plead with the House to wait until the regular Budget for 1991-92 is presented in May 1991.

### Revised Estimates for 1990-91

In presenting the interim Budget, I would like to begin with a brief account of the Revised Estimates for the current financial year. The Revised Estimates of total expenditure for the budget of 1990-91 is Rs. 106,717 crores which reflects a significant increase over the original Budget Estimate of Rs. 94,535 crores. For a more appropriate comparison, however, the original Budget Estimate should be adjusted to Rs. 99,309 crores, to include small savings loans to State Governments and a part of the capital expenditure of the Railways previously netted against receipts, which would make it consistent with the Revised Estimate. The increase would be off-set, to the extent of Rs. 4,100 crores, by matching receipts. Thus, the net increase in expenditure would be Rs. 3,308 crores. This expenditure overrun is attributable, in significant part, to some unexpected post-budget developments during the current financial year which were beyond the control of Government.

Additional loans to State governments, following larger collections of small savings, account for Rs. 2,270 crores. In addition, the Revised Estimates also include loans of Rs. 521 crores to States to meet a part of their opening deficits with the Reserve Bank of India, while another Rs. 966

crores has been provided to write off loans to States as recommended by the Ninth Finance Commission.

### Rural Debt Relief

Interest payments would be Rs. 1,000 crores higher than the Budget Estimates. Pensions for Defence personnel would be Rs. 170 crores more. The repatriation of Indian citizens from Kuwait would impose an unanticipated burden of Rs. 300 crores on the exchequer. The scheme of rural debt relief, which was not adequately provided for in the budget, would require another Rs. 500 crores. Technical credits would be Rs. 800 crores more than estimated because there is a temporary imbalance in trade under the rupee payment arrangements. The Revised Estimates for major subsidies exceed the Budget Estimates by Rs. 1,034 crores. The increase in food subsidies, at Rs. 250 crores, is attributable to sugar, in which the increase in issue prices to producers implemented in January 1990 was not followed by an increase in issue prices for consumers in the public distribution system. The increase in fertilizer subsidies, at Rs. 400 crores, is a consequence of the increase in the domestic prices of naphtha and the increase in the landed cost of imported fertilizers. The increase in export subsidies, at Rs. 384 crores, is because Cash Compensatory Support, given at *ad valorem* rates, is a function of the rupee value of exports.

### Budget At A Glance

	1989-90	1990-91	1990-91	1991-92
	Actuals	Budget	Revised	Budget
		Estimates	Estimates	Estimates
1. Revenue Receipts	52,296	57,938	57,381	63,584
2. Tax Revenue (Net to Centre)	38,349	45,294	44,318	49,374
3. Non-Tax Revenue	13,947	12,644	13,063	14,210
4. Capital Receipts	30,018	34,165	38,564	36,606
5. Recoveries of Loans	4,980	4,576	6,005	5,608
6. Other Receipts				2,500
7. Borrowings and other liabilities	25,038	29,589	32,559	28,498
8. Total Receipts (1+4)	82,314	92,103	95,945	100,190
9. Non-Plan Expenditure	64,505	68,843	76,761	76,907
10. On Revenue Account	52,137	56,671	60,946	64,304
11. On Capital Account	12,368	12,172	15,815	12,603
12. Plan Expenditure	28,401	30,466	29,956	33,260
13. On Revenue Account	12,071	14,299	14,020	17,046
14. On Capital Account	16,330	16,167	15,936	16,214
15. Total Expenditure (9+12)	92,906	99,309	106,717	110,167
16. Revenue Expenditure (10+13)	64,208	70,970	74,966	81,350
17. Capital Expenditure (11+14)	28,698	28,339	31,751	28,817
18. Revenue Deficit (1-16)	11,912*	13,032	17,585	17,766
19. Budgetary Deficit (8-15)	10,592	7,206	10,772	9,977
20. Fiscal Deficit (1+5+6)+15 = 7+19)	35,630	36,795	43,331	38,475
Increase in net RBI Credit to Central Government #	13,813	7,206	13,000	9,977**

\* Includes transfer of Rs.[rupees]2,300 crores of OCC deposits from Public Account

# Including other variations in Reserve Bank of India's credit to Central Government

\*\* Not independently estimated



Gross tax revenue is expected to be Rs. 58,916 crores, which is Rs. 862 crores less than the budget estimates of Rs. 59,778 crores. Income tax and Corporation tax are estimated to yield Rs. 134 crores and Rs. 261 crores, respectively, more than the budget estimates, largely as a result of the post budget additional resource mobilisation during the current year. However, customs duties and excise duties are expected to yield Rs. 660 crores and Rs. 625 crores, respectively, less than the budget estimates, despite the post budget additional resource mobilisation during the current year. Non-tax revenue is expected to be Rs. 419 crores larger. Capital receipts are expected to register an improvement of Rs. 4,399 crores, of which Rs. 2,500 crores will be from small savings collections.

Revised estimates of total receipts and total expenditure show that the current year is likely to end with a budget deficit of Rs. 10,772 crores compared to Rs. 7,206 crores estimated at the time of the budget. I would like to stress that, but for the measures implemented in the past three months, in the spheres of both revenue and expenditure, this budget deficit would have been significantly higher. It is a matter of concern that the additional expenditures have to be met from additional borrowings, thus pushing up the estimated fiscal deficit in the current year to Rs. 43,331 crores from Rs. 36,795 crores envisaged in the budget. The increase in the fiscal deficit is, to some extent, beyond the control of the Government due to the autonomous buoyancy in small savings collections, as a result of which the provision for loans to State Governments against small savings collections has gone up by Rs. 2,270 crores in the revised estimates. Were it not for the factor, the fiscal deficit, now estimated at 8.59 percent of GDP [gross domestic product], would have been 8.14 percent of GDP.

#### Budget Estimates for 1991-92

I shall now turn to the interim budget for 1991-92, which is being presented for the purpose of a Vote-on-Account to enable the Government to meet essential expenditure during the first four months of the next financial year. The Demands for Grants and the Annual Financial Statement, which are for the entire financial year, would be revised as necessary and finalised at the time of presentation of the regular budget.

At this stage, budget support for the Central Plan outlay in 1991-92 is placed at Rs. 18,550 crores, while Central assistance for the plans of States and Union Territories is placed at Rs. 14,710 crores for 1991-92. On this basis, the outlay for the Central Plan would be Rs. 42,148 crores, while the plan outlay of States and Union Territories, including special area programmes, would be about Rs. 29,300 crores. It has been my endeavour to provide the maximum possible support to programmes for the poor and the weaker sections of society, specially in the rural areas.

We have stressed economy and austerity in non-plan expenditure in order to maintain levels of investment

and sustain the momentum of growth. Thus, I have taken great care to ensure that non-plan expenditure is kept at the barest minimum level next year. In absolute terms, the total non-plan expenditure would increase by a marginal amount from Rs. 76,761 crores in the current year to Rs. 76,907 crores next year.

#### DA Installments

No provision has been made for additional installments of dearness allowance [DA] that may become payable next year. I am requesting all Ministries and Departments to absorb this additional liability within their budgeted outlay by effecting suitable economies. The provision for payment of loans to States, on account of their share of small savings, is placed at Rs. 4,500 crores next year against Rs. 6,770 crores in the Revised Estimates for the current year. This reduction is due to the proposed transfer of the National Savings Scheme to the Bharat Bachat Bank, to be set up soon.

The provision for Defence expenditure during the next year is placed at Rs. 16,850 crores. To meet the obligation of the Government under the scheme of rural debt relief introduced this year, a provision of Rs. 1,500 crores is also being made for the next year.

In our quest for fiscal consolidation, it is essential to rationalise expenditure on subsidies. As a first step in this direction, I propose to reduce the budgetary allocations for the major subsidies on exports, fertilizers and food from Rs. 9,550 crores in the Revised Estimates for 1990-91 to Rs. 8,616 crores in the Budget Estimates for 1991-92. In my view, a better targeting of subsidies for the poor and the needy, combined with an improvement in management, should make it possible to attain the desired objectives within these allocations.

In the sphere of receipts, at the existing rates of taxation, gross tax revenue is estimated at Rs. 65,354 crores next year, compared to the revised estimate of Rs. 58,916 crores in the current year. The payments to States of their share of taxes is placed at Rs. 15,900 crores next year as against Rs. 14,535 crores in the current year. Thus, the net revenue receipts of the Centre, including non-tax revenue, are estimated to increase from Rs. 57,381 crores in 1990-91 to Rs. 63,584 crores in 1991-92. Under capital receipts, market borrowings are placed at Rs. 7,500 crores next year which is lower than Rs. 8,000 crores in the current year. Budgetary receipts from net collections of small savings are estimated at Rs. 6,000 crores in 1991-92 as compared with Rs. 8,000 crores in 1990-91 on account of the transfer of the National Savings Scheme to the new Bharat Bachat Bank, proposed to be set up. External assistance excluding grants but net of repayments is expected to be Rs. 4,000 crores in the next year as against Rs. 3,984 crores in the current year.

#### Public Sector Equity

It has been decided that Government would disinvest up to 20 percent of its equity in selected public sector

undertakings, in favour of mutual funds and financial or investment institutions in the public sector. This disinvestment, which would broad-base the equity, improve management and enhance the availability of resources for these enterprises, is also expected to yield Rs. 2,500 crores to the exchequer in 1991-92. The modalities and details of implementing this decision, which are being worked out, would be announced separately.

Taking into account the other variations in receipts and expenditure, total receipts at the 1990-91 rates of taxation are estimated at Rs. 100,190 crores, while total expenditure is estimated at Rs. 110,167 crores, so that the budget deficit, without additional resource mobilisation, would be Rs. 9,977 crores.

The increases in the budgetary provisions for plan expenditure and other important categories of expenditure are related to and depend upon, the magnitude of total receipts that emerges in the regular budget. The interim period, before the presentation of the regular budget, would be utilised for a close scrutiny and review of all these expenditure provisions, so as to ensure that the fiscal deficit of the Central Government is about 61.5 percent of GDP in 1991-92. The increases in provisions, wherever these are substantial, could not therefore be taken fully into account in determining the provisions for which the Vote-on-Account is to be sought, except in respect of items such as interest payments, salary or pension payments and statutory grants to State Governments. I am requesting all Ministries, Departments and public sector undertakings of the Central Government not to take up any new schemes and not to enter into any fresh major commitments during this period. All Ministries and Departments will also be advised to observe utmost economy in expenditure and austerity would continue to be the watchword of the Government.

#### Income Tax

I propose to introduce a Finance Bill which seeks to continue the existing rates of Income Tax in the financial year 1991-92. There is no change in the rates of Customs and Central Excise duties. However, provision has been made in the Finance Bill for the continuance of the auxiliary duties of Customs and special duties of Excise at the existing rates in the next financial year.

#### Finance Bill

91AS0694B Madras *THE HINDU* in English  
5 Mar 91 pp 6, 7

[Text] New Delhi, 4 March: The following is the text of the Finance Bill (No. 29 of 1991) introduced in the Lok Sabha by the Finance Minister, Mr Yashwant Sinha:

Bill to continue for the financial year 1991-92 the existing rates of income-tax and to provide for the continuance of the provisions relating to auxiliary duties of customs and special duties of excise for the said year.

Be it enacted by Parliament in the Forty-Second Year of the Republic of India as follows:

1. (1) This Act may be called the Finance Act, 1991.

(2) Save as otherwise provided in this Act, section 2 shall come into force on the 1st day of April, 1991.

2. The provisions of section 2 of, and the First Schedule to, the Finance Act, 1990, shall apply in relation to income-tax for the assessment year or as the case may be, the financial year commencing on the 1st day of April, 1991, as they apply in relation to income-tax for the assessment year or as the case may be, the financial year commencing on the 1st day of April, 1990, with the following modifications, namely:

(a) in section 2,—

(i) for the figures "1990," wherever they occur the figures "1991" shall be substituted;

(ii) in sub-section (1), after the words "the First Schedule and," the words, figures, letter and brackets "such tax as reduced by the rebate of income-tax calculated under Chapter VII-A of the Income-tax Act, 1961 (hereinafter referred to as the Income-tax Act)" shall be inserted;

(iii) in sub-section (2)—

(A) for the words "eighteen thousand rupees," wherever they occur, the words "twenty-two thousand rupees" shall be substituted;

(B) for the proviso, the following proviso shall be substituted, namely:

"Provided that the amount of income-tax so arrived at, as reduced by the rebate of income-tax calculated under Chapter VII-A of the Income-Tax Act, shall, in the case of every person having a total income exceeding seventy-five thousand rupees, be increased by a surcharge for purposes of the Union calculated at the rate of 12 percent of such income-tax and the sum so arrived at shall be the income-tax in respect of the total income."

(iv) in sub-section (3):

(A) the figures, brackets and words, "1961 (hereinafter referred to as the Income-Tax Act)" shall be omitted;

(B) for the proviso, the following proviso shall be substituted, namely:

"Provided that in respect of any income chargeable to tax under section 115B or section 115BB of the Income-Tax Act,—

(a) the income-tax computed under section 115B shall be increased by a surcharge calculated at the rate of 15 percent, of such income-tax; and

(b) the income-tax computed under section 115BB shall be increased,—

(i) in the case of a person other than a company, being a resident in India, by a surcharge for purposes of the Union calculated at the rate of 12 percent, of such income-tax; and

(ii) in the case of a domestic company, by a surcharge calculated at the rate of 15 percent, of such income-tax,";

(v) in sub-section (7), after the word, figures and letter "Chapter VIII-A," the words "of the said Act" shall be inserted;

(vi) in sub-section (8), for the proviso, the following proviso shall be substituted, namely:

"Provided that the amount of income-tax or "advance tax" so arrived at, as reduced by the rebate of income-tax calculated under Chapter VIII-A of the said Act, shall, in the case of every person having a total income exceeding seventy-five thousand rupees, be increased by a surcharge for purposes of the Union calculated at the rate of 12 percent, of such income-tax or, as the case may be, "advance tax" and the sum so arrived at shall be the income-tax or, as the case may be, "advance tax" in respect of the total income,";

(b) in the First Schedule,—

(i) for Part I, the following Part shall be substituted, namely:

#### Part I

##### Income tax

##### Paragraph A Sub-Paragraph I

In the case of every individual or Hindu undivided family or unregistered firm or other association of persons or body of individuals, whether incorporated or not, or every artificial juridical person referred to in sub-clause (vii) of clause (31) of section 2 of the Income-Tax Act, not being a case to which sub-Paragraph II of this Paragraph or any other Paragraph of this Part applies,—

##### Rates of Income-Tax

(1) where the total income does not exceed Rs. 22,000—Nil;

(2) where the total income exceeds Rs. 22,000 but does not exceed Rs. 30,000—20 percent, of the amount by which the total income exceeds Rs. 22,000;

(3) where the total income exceeds Rs. 30,000 but does not exceed Rs. 50,000—Rs. 1,600 plus 30 percent of the amount by which the total income exceeds Rs. 30,000;

(4) where the total income exceeds Rs. 50,000 but does not exceed Rs. 100,000—Rs. 7,600 plus 40 percent of the amount by which the total income exceeds Rs. 50,000;

(5) where the total income exceeds Rs. 100,000—Rs. 27,600 plus 50 percent of the amount by which the total income exceeds Rs. 100,000.

##### Surcharge on Income-Tax

The amount of income-tax computed in accordance with the preceding provisions of this Sub-Paragraph shall,—

(i) in the case of every individual, Hindu undivided family or association of persons or body of individuals referred to in sections 88 and 88A having a total income exceeding seventy-five thousand rupees, be reduced by the amount of rebate of income-tax calculated under Chapter VIII-A, and the income-tax as so reduced;

(ii) in the case of every person, other than those mentioned in item (i), having a total income exceeding seventy-five thousand rupees, be increased by a surcharge for purposes of the Union calculated at the rate of 12 percent of such income-tax;

Provided that no such surcharge shall be payable by a non-resident.

##### Sub-Paragraph II

In the case of every Hindu undivided family which at any time during the previous year has at least one member whose total income of the previous year relevant to the assessment year commencing on the 1st day of April, 1991 exceeds Rs. 22,000.

##### Rates of Income-Tax

(1) where the total income does not exceed Rs. 12,000—Nil;

(2) where the total income exceeds Rs. 12,000 but does not exceed Rs. 20,000—25 percent of the amount by which the total income exceeds Rs. 12,000;

(3) where the total income exceeds Rs. 20,000 but does not exceed Rs. 40,000—Rs. 2,000 plus 30 percent of the amount by which the total income exceeds Rs. 20,000;

(4) where the total income exceeds Rs. 40,000 but does not exceed Rs. 60,000—Rs. 8,000 plus 40 percent of the amount by which the total income exceeds Rs. 40,000;

(5) where the total income exceeds Rs. 60,000 but does not exceed Rs. 100,000—Rs. 16,000 plus 50 percent of the amount by which the total income exceeds Rs. 60,000;

(6) where the total income exceeds Rs. 100,000—Rs. 36,000 plus 55 percent of the amount by which the total income exceeds Rs. 100,000.

##### Surcharge on Income-Tax

The amount of income-tax computed in accordance with the preceding provisions of this Sub-Paragraph shall, in the case of every person having a total income exceeding seventy-five thousand rupees, be reduced by the amount of rebate of income-tax calculated under Chapter VIII-A and the income-tax as so reduced be increased by a surcharge for purposes of the Union calculated at the rate of 12 percent of such income-tax;

Provided that no such surcharge shall be payable by a non-resident.

### Paragraph B

In the case of every co-operative society.

#### Rates of Income-Tax

- (1) where the total income does not exceed Rs. 10,000—10 percent of the total income;
- (2) where the total income exceeds Rs. 10,000 but does not exceed Rs. 20,000—Rs. 1,000 plus 20 percent of the amount by which the total income exceeds Rs. 10,000;
- (3) where the total income exceeds Rs. 20,000—Rs. 3,000 plus 35 percent of the amount by which the total income exceeds Rs. 20,000.

#### Surcharge on Income-Tax

The amount of income-tax computed in accordance with the preceding provisions of this Paragraph shall, in the case of every person having a total income exceeding seventy-five thousand rupees, be increased by a surcharge for purposes of the Union calculated at the rate of 12 percent of such income-tax.

### Paragraph C

#### Sub-Paragraph I

In the case of every registered firm, not being a case to which Sub-Paragraph II of this Paragraph applies.

#### Rates of Income-Tax

- (1) where the total income does not exceed Rs. 15,000—Nil;
- (2) where the total income exceeds Rs. 15,000 but does not exceed Rs. 50,000—6 percent of the amount by which the total income exceeds Rs. 15,000;
- (3) where the total income exceeds Rs. 50,000 but does not exceed Rs. 100,000—Rs. 2,100 plus 12 percent of the amount by which the total income exceeds Rs. 50,000;
- (4) where the total income exceeds Rs. 100,000—Rs. 8,100 plus 18 percent of the amount by which the total income exceeds Rs. 100,000.

#### Surcharge on Income-Tax

The amount of income-tax computed in accordance with the preceding provisions of this Sub-Paragraph shall, in the case of every person having a total income exceeding seventy-five thousand rupees, be increased by a surcharge for purposes of the Union calculated at the rate of 12 percent of such income-tax.

#### Sub-Paragraph II

In the case of every registered firm whose total income includes income derived from a profession carried on by it and the income so included is not less than 51 percent of such total income.

#### Rates of Income-Tax

- (1) where the total income does not exceed Rs. 15,000—Nil;
- (2) where the total income exceeds Rs. 15,000 but does not exceed Rs. 50,000—5 percent of the amount by which the total income exceeds Rs. 15,000;
- (3) where the total income exceeds Rs. 50,000 but does not exceed Rs. 100,000—Rs. 1,750 plus 10 percent of the amount by which the total income exceeds Rs. 50,000;
- (4) where the total income exceeds Rs. 100,000—Rs. 6,750 plus 15 percent of the amount by which the total income exceeds Rs. 100,000.

#### Surcharge on Income-Tax

The amount of income-tax computed in accordance with the preceding provisions of this Sub-Paragraph shall, in the case of every person having a total income exceeding seventy-five thousand rupees, be increased by a surcharge for purposes of the Union calculated at the rate of 12 percent of such income-tax.

Explanation.—For the purposes of this Paragraph, "registered firm" includes an unregistered firm assessed as a registered firm under clause (b) of section 183 of the Income-Tax Act.

### Paragraph D

In the case of every local authority.

#### Rate of Income-Tax

On the whole of the total income—50 percent.

#### Surcharge on Income-Tax

The amount of income-tax computed at the rate herein-before specified shall, in the case of every person having a total income exceeding seventy-five thousand rupees, be increased by a surcharge for purposes of the Union calculated at the rate of 12 percent of such income-tax.

### Paragraph E

In the case of a company.

#### Rates of Income-Tax

I. In the case of a domestic company.—

- (1) where the company is a company in which the public are substantially interested—40 percent of the total income.
- (2) where the company is not a company in which the public are substantially interested—
  - (i) in the case of a trading company or an investment company—50 percent of the total income;
  - (ii) in any other case—45 percent of the total income.



II. In the case of a company other than a domestic company,—

(i) on so much of the total income as consists of—

(a) royalties received from government or an Indian concern in pursuance of an agreement made by it with the Government or the Indian concern after the 31st day of March, 1961, but before the 1st day of April, 1976, or

(b) fees for rendering technical services received from Government or an Indian concern in pursuance of an agreement made by it with the Government or the Indian concern after the 29th day of February 1964 but before the 1st day of April, 1976, and where such agreement has, in either case, been approved by the Central Government—50 percent;

(ii) on the balance, if any, of the total income—65 percent.

#### Surcharge on Income-Tax

The amount of income-tax computed in accordance with the provisions of item I of this Paragraph shall, in the case of every person having a total income exceeding seventy-five thousand rupees, be increased by a surcharge calculated at the rate of 15 percent of such income-tax;

(ii) in Part II, for the heading "Surcharge on Income-Tax" and the entries thereunder, the following shall be substituted, namely:—

#### "Surcharge on Income-Tax"

The amount of income-tax deducted in accordance with the provisions of—

(a) sub-item (a) of item 1 of this Part shall be increased by a surcharge for purposes of the Union calculated at the rate of 12 percent of such income-tax, and

(b) sub-item (a) of item 2 of this Part shall be increased by a surcharge calculated at the rate of 15 percent, of such income-tax;

(iii) In Part III, in Sub-Paragraph II of Paragraph A, for the figures "1991," the figures "1992" shall be substituted;

(iv) in Part IV, in Rule 9,

(A) for sub-rules (1) and (2), the following sub-rules shall be substituted, namely:

"(1) Where the assessee has, in the previous year relevant to the assessment year commencing on the 1st day of April, 1991, any agricultural income and the net result of the computation of the agricultural income of the assessee for any one or more of the previous years relevant to the assessment years commencing on the 1st day of April 1983 or the 1st day of April, 1984 or the 1st day of April, 1985 or the 1st day of April, 1986 or the 1st day of April, 1987 or the 1st day of April, 1988 or the 1st of

April, 1989 or the 1st of the April 1990, is a loss, then, for the purposes of sub-section (2) of section 2 of this Act,

(i) the loss so computed for the previous year relevant to the assessment year commencing on the 1st day of April, 1983, to the extent, if any, such loss has not been set off against the agricultural income for the previous year relevant to the assessment year commencing on the 1st day of April 1984 or the 1st day of April, 1985 or the 1st day of April 1986 or the 1st day of April, 1987 or the 1st day of April, 1988, or the 1st day of April, 1989 or the 1st day of April, 1990.

(ii) the loss so computed for the previous year relevant to the assessment year commencing on the 1st day of April, 1984, to the extent, if any, such loss has not been set off against the agricultural income for the previous year relevant to the assessment year commencing on the 1st day of April, 1985 or the 1st day of April, 1986 or the 1st day of April, 1987 or the 1st day of April, 1988 or the 1st day of April, 1989 or the 1st day of April, 1990.

(iii) the loss so computed for the previous year relevant to the assessment year commencing on the 1st day of April, 1985, to the extent, if any such loss had not been set off against the agricultural income for the previous year relevant to the assessment year commencing on the 1st day of April, 1986 or the 1st day of April, 1987 or the 1st day of April, 1988 or the 1st day of April, 1989 or the 1st day of April, 1990.

(iv) the loss so computed for the previous year relevant to the assessment year commencing on the 1st day of April, 1986, to the extent, if any such loss has not been set off against the agricultural income for the previous year relevant to the assessment year commencing on the 1st day of April, 1987 or the 1st day of April, 1988 or the 1st day of April, 1989 or the 1st day of April, 1990.

(v) the loss so computed for the previous year relevant to the assessment year commencing on the 1st day of April, 1987, to the extent, if any such loss has not been set off against the agricultural income for the previous year relevant to the assessment year commencing on the 1st day of April, 1988 or the 1st day of April, 1989 or the 1st day of April, 1990.

(vi) the loss so computed for the previous year relevant to the assessment year commencing on the 1st day of April, 1988, to the extent, if any such loss has not been set off against the agricultural income for the previous year relevant to the assessment year commencing on the 1st day of April, 1989 or the 1st day of April, 1990.

(vii) the loss so computed for the previous year relevant to the assessment year commencing on the 1st day of April, 1989, to the extent, if any such loss has not been set off against the agricultural income for the previous year relevant to the assessment year commencing on the 1st day of April, 1990, and

(viii) the loss so computed for the previous year relevant to the assessment year commencing on the 1st day of

April, 1990, shall be set off against the agricultural income of the assessee for the previous year relevant to the assessment year commencing on the 1st day April 1991.

(2) Where the assessee has, in the previous year relevant to the assessment year commencing on the 1st day of April, 1992 or, if by virtue of any provision of the Income-Tax Act, income-tax is to be charged in respect of the income of a period other than that previous year, in such other period, any agricultural income and the net result of the computation of the agricultural income of the assessee for any one or more of the previous years relevant to the assessment years commencing on the 1st day of April, 1984 or the 1st day of April, 1985 or the 1st day of April, 1986 or the 1st day of April, 1987 or the 1st day of April, 1988 or the 1st day of April, 1989 or the 1st day of April, 1990 or the 1st day of April, 1991, is a loss, then, for the purposes of sub-section (i) of section 2 of this Act,

(i) the loss so computed for the previous year relevant to the assessment year commencing on the 1st day of April, 1984 to the extent, if any, such loss has not been set off against the agricultural income for the previous year relevant to the assessment year commencing on the 1st day of April 1985 or the 1st day of April, 1986 or the 1st day of April, 1987 or the 1st day of April, 1988 or the 1st day of April, 1989 or the 1st day of April, 1990 or the 1st day of April, 1991,

(ii) the loss so computed for the previous year relevant to the assessment year commencing on the 1st day of April, 1985 to the extent, if any, such loss has not been set off against the agricultural income for the previous year relevant to the assessment year commencing on 1st day of April, 1986 or the 1st day of April, 1987 or the 1st day of April, 1988 or the 1st day of April, 1989 or the 1st day of April, 1990 or the 1st day of April, 1991,

(iii) the loss so computed for the previous year relevant to the assessment year commencing on the 1st day of April, 1986 to the extent, if any, such loss has not been set off against the agricultural income for the previous year relevant to the assessment year commencing on the 1st day of April, 1987 or the 1st day of April, 1988 or the 1st day of April, 1989 or the 1st day of April, 1990 or the 1st day of April 1991,

(iv) the loss so computed for the previous year relevant to the assessment year commencing on the 1st day of April, 1987 to the extent, if any, such loss has not been set off against the agricultural income for the previous year relevant to the assessment year commencing on the 1st day of April, 1988 or the 1st day of April, 1989 or the 1st day of April, 1990 or the 1st day of April, 1991,

(v) the loss so computed for the previous year relevant to the assessment year commencing on the 1st day of April, 1988 to the extent, if any, such loss has not been set off against the agricultural income for the previous year

relevant to the assessment year commencing on the 1st day of April, 1989 or the 1st day of April, 1990 or the 1st day of April, 1991,

(vi) the loss so computed for the previous year relevant to the assessment year commencing on the 1st day of April, 1989 to the extent, if any, such loss has not been set off against the agricultural income for the previous year relevant to the assessment year commencing on the 1st day of April, 1990 or the 1st day of April, 1991,

(vii) the loss so computed for the previous year relevant to the assessment year commencing on the 1st day of April, 1990 to the extent, if any, such loss has not been set off against the agricultural income for the previous year relevant to the assessment year commencing on the 1st day of April, 1991, and

(viii) the loss so computed for the previous year relevant to the assessment year commencing on the 1st day of April, 1990 to the extent, if any, such loss has not been set off against the agricultural income for the previous year relevant to the assessment year commencing on the 1st day of April, 1991, and

(viii) the loss so computed for the previous year relevant to the assessment year commencing on the 1st day of April, 1991,

shall be set off against the agricultural income of the assessee for the previous year relevant to the assessment year commencing on the 1st day April 1992:"

(b) for sub-rule (5), the following sub-rule shall be substituted, namely:

"(5) Notwithstanding anything contained in this rule, no loss which has not been determined by the Assessing Officer under the provisions of these rules or the rules contained in part IV of the First Schedule to the Finance Act, 1983, or of the First Schedule to the Finance Act, 1984, or of the First Schedule to the Finance Act, 1985, or of the First Schedule to the Finance Act, 1986, or of the First Schedule to the Finance Act, 1987, or of the First Schedule to the Finance Act, 1988, or of the First Schedule to the Finance Act, 1989, or of the First Schedule to the Finance Act, 1990, shall be set off under sub-rule (1) or, as the case may be sub-rule (2)."

#### Auxiliary Duties of Customs

3. (1) In the case of goods mentioned in the First Schedule to the Customs Tariff Act, 1975 or in that Schedule, as amended from time to time, there shall be levied and collected as an auxiliary duty of customs an amount equal to 50 percent of the value of the goods as determined in accordance with the provisions of section 14 of the Customs Act, 1962 (hereinafter referred to as the Customs Act).

(2) Sub-section (1) shall cease to have effect after the 31st day of March 1992, and upon such cesser section 6 of the General Clauses Act, 1987, shall apply as if the said sub-section had been repealed by a Central Act.

(3) The auxiliary duties of customs referred to in sub-section (1) shall be in addition to any duties of customs chargeable on such goods under the Customs Act or any other law for the time being in force.

(4) The provisions of the Customs Act and the rules and regulations made thereunder, including those relating to refunds and exemptions from duties, shall, as far as may be, apply in relation to the levy and collection of the auxiliary duties of customs leviable under this section in respect of any goods as they apply in relation to the levy and collection of the duties of customs on such goods under that Act or those rules and regulations, as the case may be.

#### **Special Duties of Excise**

4. (1) In the case of goods chargeable with a duty of excise under the Central Excises and Salt Act, 1944 (hereinafter referred to as the Central Excises Act), as amended from time to time, read with any notification for the time being in force issued by the Central Government in relation to the duty so chargeable (not being a notification providing for any exemption for giving credit with respect to, or reduction of duty of excise under the said Act on such goods equal to, any duty of excise under the said Act, or the additional duty under section 3 of the customs Tariff Act, already paid on the raw material or component parts used in the production or manufacture of such goods), there shall be levied and collected a special duty of excise equal to 10 percent of the amount so chargeable on such goods.

(2) Sub-section (1) shall cease to have effect after the 31st day of March, 1992, and upon such cesser section 6 of the General Clauses Act, 1897, shall apply as if the said sub-section had been repealed by a Central Act.

(3) The special duties of excise referred to in sub-section (1) shall be in addition to any duties of excise chargeable on such goods under the Central Excises Act or any other law for the time being in force.

(4) The provisions of the Central Excises Act and the rules made thereunder, including those relating to refunds and exemptions from duties, shall, as far as may be, apply in relation to the levy and collection of the special duties of excise leviable under this section in respect of any goods as they apply in relation to the levy and collection of the duties of excise on such goods under that Act or those rules, as the case may be.

#### **Declaration Under the Provisional Collection of Taxes Act, 1931**

It is hereby declared that it is expedient in the public interest that the provisions of clauses 3 and 4 of the Bill shall have immediate effect under the Provisional Collection of Taxes Act, 1931.

#### **Statement of Objects and Reasons**

The object of this short Bill is to continue for the financial year 1991-92 the existing rates of income-tax

with certain modifications and to provide for the continuance of the provisions relating to auxiliary duties of customs and special duties of excise for the said year.

Clause 2 of the Bill deals with rates of income-tax. The rates of income-tax and surcharge which were specified in Part III of the First Schedule to the Finance Act, 1990, for the purpose of deduction of tax at source from salaries during the financial year 1990-91, for computing the "advance tax" payable during that financial year in relation to current incomes and for certain special purposes, are proposed to be continued for the purpose of assessments for the assessment year 1991-92. Further, the same rates are proposed to be continued also for the purpose of deduction of tax at source from salaries during the financial year 1991-92, for computing the "advance tax" payable during that financial year on current incomes and also for the said special purposes.

The rates for deduction of tax at source during the financial year 1990-91 from incomes other than salaries, specified in Part II of the First Schedule to the Finance Act, 1990, are also proposed to be continued for deduction of tax at source from such incomes during the financial year 1991-92.

Clause 2 of the Bill accordingly proposes to apply to the financial year 1991-92 the provisions of section 2 of, and the First Schedule to, the Finance Act, 1990, with consequential and other necessary modifications.

Clause 3 of the Bill seeks to levy up to the 31st day of March, 1992, auxiliary duties of custom on all imported goods at the rate of 50 percent of their value.

Clause 4 of the Bill seeks to levy up to the 31st day of March, 1992, special duties of excise on all excisable goods at the rate of 10 percent of the duty leviable under the Central Excises Act, read with any notification for the time being in force issued under the said Act or the rules made thereunder.

Yashwant Sinha

New Delhi The 4th March, 1991

#### **President's Recommendation Under Articles 117 and 274**

(Copy of letter No. F.3(1)-B(D)/91, dated the 4th March, 1991 from Shri Yashwant Sinha, Minister of Finance, to the Secretary -General, Lok Sabha).

The President, having been informed of the subject matter of the proposed Bill, recommends under Clause (1) of Article 117, read with Clause (1) of Article 274, of the Constitution of India, the introduction of the Finance Bill, 1991, to the Lok Sabha.

The Bill will be introduced in the Lok Sabha immediately after the presentation of the Budget on the 4th March 1991.

### **Congress-I Scored on Phone Tapping Issue**

91AS0713A Bombay *THE TIMES OF INDIA*  
in English 6 Mar 91 p 14

[Text] The only positive outcome of the incident surrounding the arrest of two men who were allegedly keeping an eye on the residence of Mr Rajiv Gandhi at the behest of the Haryana government is that it has once again focussed attention on the misuse of the administrative machinery for narrow political ends. Notwithstanding the boisterous and somewhat bizarre protests by Congress members in both houses of Parliament, and the particularly unseemly conduct of Mr S.S. Ahluwalia in the Rajya Sabha, the fact remains that it is unbecoming of the party to adopt a holier-than-thou attitude and cry foul. The revelation that it was the former chief minister of Haryana, Mr Bhajan Lal, who began the misuse of the state administration for keeping tabs on politicians and their family members in the capital has only confirmed the suspicion that the Congress is indignant only because it is now at the receiving end of this deplorable practice. Moreover, as the recent CBI [Central Bureau of Investigation] report on telephone tapping indicated, past Congress regimes have been second to none in prying on politicians. Mr Ramakrishna Hegde may have been the only one to lose his job on this account, but others holding responsible positions have escaped merely because they have not been found out. This is, of course, not to condone the activities of the Haryana government, but only to suggest that it is unbecoming of the Congress to feign outrage.

It is however, heartening that Mr Chandra Shekhar responded promptly to the criticisms and has ordered a probe into the entire episode. Unfortunately, such an inquiry is likely to be completely meaningless and a total waste of the taxpayer's money if it is confined to the incident at 10 Janpath. As the more sober interventions in Parliament on Monday suggested, there is a strong case for learning from the lessons of this particular incident and evolving certain guidelines for domestic intelligence gathering. While every government needs to be kept well informed, it is about time that a distinction is made between potential threats to law and order and legitimate political activities. The manoeuvrings that take place within the residence of Mr Gandhi do not in any way jeopardise the security of the nation, though they may well have a bearing on the political fortunes of Mr Devi Lal, Mr Om Prakash Chautala and Mr Ranjit Singh. More to the point, it is about time that politicians take a dispassionate look at the so-called intelligence reports that are being fed to them. If archival documents relating to the spy network of the British Raj are any indication, the overwhelming bulk of the reports supplied by low-level functionaries consist of unreliable bazaar gossip. Four decades of independence are unlikely to have altered the trend.

### **Human Rights Group on Army in Assam**

91AS0790A Bombay *THE TIMES OF INDIA*  
in English 4 Mar 91 p 9

[Text] Guwahati, March 3. The army has injected terror in the rural areas of Assam with its third-degree methods and brutal oppression of innocent villagers, according to a fact-finding team of the Bombay-based Committee for the Protection of Democratic Rights (CPDR).

Releasing its preliminary report to reporters here, the CPDR team said that the army had become "completely unaccountable" to anyone and had totally undermined and marginalized the civilian administration in the state.

The four-member team, comprising a lawyer, a journalist, an engineer and a lecturer, visited six districts of upper Assam between February 21 and 27 and documented 32 cases of torture, 11 cases of rape and nine cases of killing.

They were only a sample, the team members said and emphasized that the actual magnitude of army atrocities was much greater.

The team said that it had verified cases in which even patients were tortured for information. The army's studied indifference to complaints had further demoralized the victims and the people in general, it added. A detailed report is being sent to the President as well as the Amnesty International.

The army's principal target, according to the CPDR, appeared to be the youth "who are now living on the outer fringes of fear and helplessness, tinged with a desire for vengeance". The educational environment of upper Assam was in a shambles, it said.

The CPDR team also documented instances of women being raped, especially by the rank-and-file soldiers.

According to the fact-finding team, political groups and elected representatives had "completely failed to lend succor or protect innocent people".

## **IRAN**

### **Foreign Investment in Heavy Industries Planned**

91AS0727A Tehran *KAYHAN INTERNATIONAL*  
in English 14 Mar 91 p 1

[Article: "Foreign Investment in Heavy Industries"]

[Text] Tehran, March 13 (IRNA)—In an effort to promote its heavy industry sector, Iran is planning to allow foreign companies to invest as much as \$3b in this sector during its current 5-year development plan, the heavy industries minister said.

"To this end, contracts worth \$500m have been linked (with foreign companies)," Hadi Nejad-Husseinian told a one day seminar to promote heavy industrial exports.



"Other contracts with foreign companies for setting up heavy industrial plants valued at \$300m are to be finalized soon including three for the manufacture of motor cars, buses and trucks," he said.

According to the contracts, foreign investors would purchase 30 percent of the production of the plants for sale in international markets, he said.

Nejad-Husseinian also added that "foreign firms should not view Iran as a market for their products, and the condition for their investment here is their agreement to transfer technological knowhow and to purchase parts of production."

### **Iran Reported Expanding African Contacts**

91AF0860Z London AFRICA ANALYSIS in English  
8 Mar 91 p 13

[Text] Teheran—Iran appears to have established new trading inroads into Africa via a series of offers of cut-price arms sales. The country has large quantities of arms—including small arms captured by Israel in Lebanon in 1982—bought from sanctions busters during its eight-year conflict with Iraq.

As international pressure on Iran eased with the growing Gulf crisis and subsequent crushing of Iraq, Iran moved rapidly to strengthen and expand diplomatic and trading contacts particularly with African states. Special attention was given to countries such as Zambia, which have enjoyed close relations in the past with Iraq. To facilitate countertrade, Iran has also relaxed its foreign exchange regulations and has removed all export ceilings.

Oil plays a large part in deals presently being negotiated, which include wide-ranging involvement in Ghana. Iran and Ghana have established a joint commission to look into a long-term trade agreement and there has been talk of Iranian involvement in the mining of gold and bauxite and in the setting up of a new bank.

In the past two months there have been direct, high-level contacts with Burkina Faso, Nigeria, Mauritania and Uganda. Sudan, perhaps Iraq's closest African ally, is also being wooed.

### **Some Imports Use Government Exchange Rates**

91AS0812K London KEYHAN in Persian 11 Apr 91 p 4

[Text] At the conclusion of its latest meeting, the Islamic Republic's Supreme Economic Council stopped the allocation of government foreign exchange at 70 rials per dollar for the importation of tractors. Henceforth, importers of this important means of agricultural promotion and expansion must turn to the free market to obtain the foreign exchange they need to make imports possible, and purchase dollars at the competitive foreign exchange rate. Mas'ud Rowghani-Zanjani, acting director of the Plan and Budget Organization and spokesman for the Islamic regime's Economic Council, said in justifying the end to the allocation of government

foreign exchange for importing tractors that the allocation of foreign exchange at 70 rials and the low price of tractors meant there was not that much growth in the production of this agricultural implement, and the Tractor Construction Company was faced with losses, so that this company lost 1.5 million rials for every tractor acquired at 70 rials per dollar. The acting director of the Islamic Republic's Plan and Budget Organization said elsewhere in his talk: "Currently a Ferguson tractor which sells for \$15,000 outside the country, sells at 120,000 tomans at the government price, and this has caused tractors to be smuggled abroad. Every year 110 to 3,000 tractors were smuggled out of the country and sold at ten times the domestic price."

The official discussed the future price of tractors. He said: "Tractors will be sold to farmers based on the unassembled price, some of which will be set at the government foreign exchange rate and some of which will be set at the competitive foreign exchange rate. Experts on Iran's agricultural affairs believe that selling tractors based on the competitive foreign exchange rate will increase the current price of this important implement of agricultural expansion by seven to ten folds, and in taking this measure the regime has taken another direct step to increase the cost of living and make what is needed by the people expensive."

### **Kho'ini Editorial in First Issue of SALAM**

91AS0777A Tehran SALAM in Persian 9 Feb 91 pp 1, 3

[Text] Peace [SALAM] be upon the prophets, the true ones, the martyrs and the pious. Peace be upon all the faithful and all the friends of God. Peace be upon the blessed dawn of the Islamic revolution, which is the rising sun of humanity on the horizon of revelation. Peace be upon the 15th of Khordad [5 June], to the bloody pavements of the 17 of Shahrivar [8 September]. Peace be upon the alleys and streets of the 22nd of Bahman [11 February].

Peace be upon the men who carried the faith on their shoulders to the streets of rebellion. Peace be upon the women who with their children faced the bullets with blossoming smiles.

Peace be upon Khomeyni, a great human being, the pilgrimage of human society. Peace be upon Khomeyni, the imam of the oppressed and friend of the mobilized forces of the Islamic world, a Moses figure in the night of pharaohs, a man who came from the farthest part of the Medina of humanity to make the contemporary Medina rebel against the new idols [reference to Prophet Mohammad's attack on Mecca from the city of Medina], a human being who melted in the heat of divine world beyond, a man who came in the form of a "human" to teach the "divine names."

Peace be upon Iran, the sacred land which has the tracks of the feet of friends of God and mystics who were freed from the earth and joined God.

Peace be upon the grand avalanche which has fallen on the path from the heights of manifestation to cover the awesome valleys of passion and Satan. "Peace!.... This until the rise of Morn" [Koran 97:5].

There is no doubt that this is the age of the strength of truth and the blessed period of the best of times, an age in whose divine sun, blossoms of spirituality and mysticism grow, an age in which the sound of destruction of the historical bones of Satan is heard, an age overflowing with the murmuring of the waterfalls of divine human beings, an age which is the resurrection of the deprived and the rising of the downtrodden, an age in which all historical wounds have returned and mankind seeks the face of Mahdi [the Promised One] in his creed, the age of the government of the pious, the age of the rule of a nation which carries on its shoulders the suffering of all the scourged in history. And there is no doubt that we are all small drops in this great ocean of divine manifestation and this waving sea of humanity.

Undoubtedly, one of the distinctions of such an age is the spread of culture and the fruitfulness of the trees of morality and ethics and the thriving of the market of spirituality and divine values. Islam is an ideology that relies on the sword of the pen. In this school, the writing ink of scholars is the blood of martyrs. What holds this school together is writing and penmanship. Islam is a school in which only those who have struggled to learn the love and knowledge of God, are schooled.

And again, in such a blessed age, it is natural that the publication of various newspapers and magazines and variety in the press itself are signs of the growth of awareness and the spread of seeking truth in this chosen nation. Incidentally, for a long time, a number of the faithful and the pious and those who love the Islamic revolution and the imam's line insisted on my publishing a political, social, and cultural newspaper. Despite the heavy burden of problems and the heavy responsibility and shortage of time, I could not refuse this blessed request. Although unfortunately still there is a long way ahead of us until we respond to the request of these dear friends, through the efforts of a group of sincere and hardworking friends, we sent the opening issue of SALAM to greet the experts. Let this opening, despite all of its shortcomings, be a start and good news toward a fruitful future for a useful publication.

Secondly, with the publication of the opening issue of SALAM, we will be informed of the opinions of the concerned experts. Therefore, along with the group of friends and colleagues at SALAM, I most humbly and sincerely, in order to bring about fruition in this God-loving task, expect all manner of help from various strata of the people, especially the honorable clerics, Muslim intellectuals, writers, thinkers, academics, artists, poets, and Muslim critics to help us in starting and continuing this popular and Islamic purpose. Peace be upon you. Musavi-Kho'ini

### **Erosion Threatens Agriculture, Economy**

91AS0812I London KEYHAN in Persian 11 Apr 91 p 4

[Text] While soil erosion is estimated at one ton per hectare in the European nations and about seven tons per hectare in Africa, it averages ten tons per hectare in Iran. Agricultural experts believe that the severe soil erosion has reduced the productivity of land resources, and this development will endanger the future of the Islamic Republic's lackluster agriculture more than before. According to a report in a publication printed in the Islamic Republic, soil erosion in Iran threatens the nation's water reservoirs and dams with extinction. The report notes that in the Province of Lorestan soil erosion in some cases is up to about 60 tons per hectare, or more than 60 times the average soil erosion in Europe, and the importance of this harmful phenomenon to the nation's agriculture and economy will be more evident when we realize that such a rate of soil destruction over more than 66 percent of the nation's soil has destroyed about 1.5 million tons of soil.

### **Women Reportedly Less Harassed**

91AS0812L London KEYHAN in Persian 11 Apr 91 p 2

[Text] Travelers returning from Tehran say that the quality of life for women and girls in Tehran and in the provincial cities has become much easier than in the past. The decline in inappropriate harshness and the reduction in harassment of women has caused the women themselves to express less discontent at having to wear veils to some degree, and their negative and automatic reactions have declined.

According to these travelers, the women, sensing less pressure from the Hezbollahis and the Islamic government's agents, are showing less stubbornness towards them.

### **Responsibility, Freedom of Press Subject of Seminar**

91AS0776A Tehran SALAM in Persian 28 Feb 91 p 4

[Text] The first seminar examining the issues of the Iranian press was held in the presence of Dr. Khatami, the minister of culture and Islamic guidance, and a large number of persons involved in the national press at the Esteqlal Hotel through the efforts of the center for media study and research of the Ministry of Culture and Higher Education and 'Allameh Tabataba'i University. Before this seminar, one of the officials said that the goal of the seminar is to examine the problems of the press and also to investigate the shortcomings with regard to the press, particularly the reason for the low circulation and also the lack of professional independence of the newspapers in Iran. He added: Another problem that will be examined in this seminar will be the quality of support for the law on the freedom of the press and also how the correspondents are trained to promote it.

In the opening of this seminar, Dr. Mo'tamednezhad, a member of the organizing council of the seminar, reported on the issue of the articles presented and the goals of such meetings and said: Considering the global changes that have taken place in regards to communication, one of the most important duties of our national press is to fight the cultural domination of the West. He added: A reporter alerting the members of the society must also take into consideration matters of national security. He then criticized the Iranian press law and, briefly comparing it to the laws of other countries, added: During the Qajar dictatorship and the later dictatorship, we never found the opportunity to make this imitated institution conform to the conditions and demands of the society, and in the years following the revolution, too, due to the problems stemming from the war, such an opportunity did not occur.

Then Dr. Khatami, the minister of culture and Islamic guidance, spoke on the role of man in nature and his lofty place in Islam and enumerated the place of the mass media in the world. He then emphasized: We must spend all our efforts on the growth of the people and familiarize them with their duties and rights. Certainly the mass media can play an effective role in this regard.

In the continuation of the seminar, Engineer Aminzadeh, the press deputy minister of Islamic guidance, presented some statistics and pointed out: In recent years, the press has been growing quantitatively. In connection with the content of the press, he said: Except for a few exceptional cases, our press has not yet been able to provide for the intellectual and cultural needs of the society. The speaker then requested of the officials of the country that the limitations on the activities of the press be clarified in accordance with the Constitution and the press law in order to prevent some of the ruckus which is the result of personal taste and in order to enable the executive offices to act freely on the basis of justice.

Mr. Mohammad Mehdi Forqani, another speaker, said: The press system does not respect the professional character of a reporter. For this reason, the managers of the press expect him to be fully obedient, and the government officials look upon him as a simple transmitter of their views.

Messrs Beheshtipur, Mehdi Mohsenian, 'Abbas 'Abdi, Hadi Khanyki, Badi'i, Ja'fari, Niknam, and Shokrkah and Ms. Badi'i, were among the other speakers at this seminar, who all expressed their views about the issues related to the press.

Examining the role of the press in the development of the country, the necessity of establishing a data bank, the procedure for using computer and archival resources, the necessity to expand and broaden journalistic education, the perspective on global information community, the common bond of the press, public relations and propaganda, the press and national security requirements, the legal basis of professional independence in journalism,

and the necessity to give prominence to the journalist guilds were among the issues discussed in the seminar.

In the conclusion of this seminar, Dr. Soroush spoke about the press in connection with the three aspects of scholarship, power, and business and asked journalists to preserve the precepts of each.

In continuation, the speaker said that the most important rule regarding the scholarship aspect is the ability to accept criticism and to practice criticism, and in the aspect of power, it is not to take advantage of power to violate the rights of others.

## PAKISTAN

### Revival of Alliance With China Considered

91AS0704C Islamabad THE MUSLIM in English  
3 Mar 91 p 4

[Article: "New Dimension to an Old Alliance"]

[Text] Prime Minister Nawaz Sharif has returned to the country after a remarkably successful visit to China. The visit has further strengthened the friendly ties existing between the two countries which have, over the years, progressively strengthened, deepened, widened and refined to mutual satisfaction. China, in fact, has always been a staunch ally of this country, standing by it through thick and thin. The latest visit of the prime minister has proven yet again that China is a friend who can be relied upon for unstinted support in these troubled times when the country finds itself in the company of good weather friends. It is most gratifying to note that we have always had China on our side while the West, despite the bootlicking indulged in by successive Pakistani governments, have let this country down in the most crucial of times.

The PM's visit to China has been fruitful in many respects. The PM says China had agreed to expand the 30-year-old defence agreement with Pakistan and also committed itself to transfer of crucial technology. He added his recent visit and various agreements entered into with China, the most trusted friend, would have far-reaching effects on Pakistan's defence capability and its economy. The PM further said "China carefully listened to our stance on the Kashmir issue and reaffirmed its principled stand in this regard." This was indeed a reiteration of the constancy with which China has pursued its principled stand on all issues faced by its friends. A glaring contrast to the vacillating stands adopted by our great benefactor, the mighty United States of America, in respect of the problems facing us, particularly the Kashmir issue, on which it has indicated its firm support for the Indian stand.

In the present day circumstances, when the U.S. has made it clear that it will only befriend Pakistan at the cost of the latter's sovereignty, it is to be fervently hoped that China, now more than ever, will further strengthen

its support to this country and the Third World. We have been repeatedly let down by the arrogant, white, rich nations and it is time we shed the shackles imposed on us in the garb of friendship. Quite candidly, the West is now so profoundly under the influence of the Zionist lobby that it would be the height of folly to even think that any help could come to us from that quarter, unless it be to serve the purposes of the Western nations. At a time when Zionist expansionist and commercial designs are sought to be imposed on the Muslim World, the Muslim states are in much greater need of Chinese support and cooperation.

### Role in Gulf Reconstruction Viewed

91AS0704E Islamabad THE MUSLIM in English  
4 Mar 91 p 4

[Article: "Slice of the Reconstruction Cake"]

[Text] Prime Minister Nawaz Sharif has been stressing that Pakistan will have a vital role in the reconstruction of the damaged areas of the Gulf. But how exactly will that role be performed or the modalities for that has not been indicated by him or other officials. What is known is that Minister for Labour and Manpower Ijazul Haq will be visiting Iraq and Saudi Arabia from March 8 and Pakistan's Ambassador to Kuwait has been directed to return to his post, while our Ambassador in Saudi Arabia has been asked to be in touch with the relevant officials and agencies.

The fact is that all the major countries of the world are expecting to play a large role in the reconstruction of the war damaged areas. The cost of reconstruction of Kuwait alone is estimated at 100 billion dollars, and Kuwaiti rulers have said they would give topmost priority to the companies of those countries which took a major part in the fighting, particularly the U.S., Britain and France. President Turgut Ozal of Turkey has been saying that his country, too, will play a major role in the reconstruction.

Evidently Pakistan will face tough competition, and Pakistani entrepreneurs have to be really shrewd and pragmatic to have a large slice of the reconstruction cake. Pakistan can benefit in two ways: participate in the reconstruction through their companies and through their workers, particularly in the debris removal and construction work. When construction work is given to other companies, Pakistan has to do all it can to induce them to employ as many Pakistani workers as possible. That means our embassies in Western countries have to be in touch with the western companies getting such contracts so as to supply workers to them. Clearly, the various agencies of the government within the country and outside have to be on the alert, and an effective task force in Islamabad has to supervise all such activities. The expectation of playing a large role in the Gulf should be matched by practical steps to make that a reality and the kind of success that it ultimately ought to be to improve the poor balance of payments and reduce the unemployment problem in the country. The workers

which Kuwait needs urgently now may be very different from those who have come back who were in the administrative and commercial offices. That does not mean that we should give priority to the re-employment of the returnees over the kind of workers Kuwait really needs now.

### Corporate Sector Cleanup Urged

91AS0704D Islamabad THE MUSLIM in English  
3 Mar 91 p 4

[Article: "Corporate Sector"]

[Text] Privatisation cannot make real progress in Pakistan and become popular without a cleaner or less corrupt corporate sector and more efficient Stock Exchanges with better ethical standards. Now that the government wants foreign investors to buy shares of Pakistani companies so as to increase its foreign exchange earnings, it has to get the whole corporate sector and the corrupt Stock Exchanges cleaned up. If the majority share-holders who control companies do not want to pay dividends or pay too little, and manipulate share prices arbitrarily, do not even hold annual general meetings or submit proper accounts, the public cannot have any faith in such a corporate sector minus most of the foreign companies which usually pay good dividends and help their share prices stay high.

The Karachi Stock Exchange and later the Lahore Stock Exchange could have done a good deal to check the rot, but most of the members of the exchanges were hand-in-glove with the defaulting company chiefs and were more interested in making more money through very unfair means. The Development Finance Institutions which are represented on the Boards of Directors of many of these companies, too, failed to function as the watch dogs they were supposed to be and expose the frauds in such companies. And the Corporate Law Authority [CLA], too, failed dismally in spite of the new Company Law with about 600 pages to check such abuses.

But now, following a meeting between the Stock Exchange and CLA chiefs, the Karachi Stock Exchange has delisted seven companies, following the delisting of a few others. Earlier, companies delisted in one exchange are not to be traded on another and directors of a delisted company cannot become directors of another company and expect its shares to be listed on the Stock Exchanges. Normally, the government must be interested in getting the companies to pay regular dividends to their minority shareholders as the owners who do not pay dividends do not pay income tax as well. And many defaulters do not return their loans to public sector banks. If there are deficiencies in the Company Laws Ordinance of 1984, they must be eliminated and the ordinance given real teeth, and the familiar corruption and racketeering in Stock Exchanges eliminated.



**Article Describes Power Crisis, Loss to Industry**

91AS0704B Islamabad *THE MUSLIM* in English  
2 Mar 91 p 10

[Article: "Industry To Suffer Rs.[rupees]9b Loss Due to Power Shortage"; quotation marks as published]

[Text] Islamabad, March 1: With the end of loadshedding from Thursday after having been in force for about 45 days throughout the country during the winter, the country is expected to be hit again by loadshedding towards the end of April, 1991 and the remaining two peak months of summer.

A study carried out by *THE MUSLIM* revealed that loadshedding in the coming summer would be mainly because of WAPDA's [Water and Power Development Authority's] plan to construct 1,700 megawatt power house on tunnel three of Tarbela Dam, (which would disrupt power generation) besides an additional demand of 1,200 MW by consumers for air-conditioners and refrigerators.

Experts say that for constructing power house on tunnel three the water level at Tarbela lake would be brought down by 40 to 50 feet. However, these experts believe that with the addition of 1,700 MW in the existing capacity of 2,000 MW of Tarbela hydel power station the power generating capacity in the country would be improved significantly, but still insufficient to meet the fast growing demand.

Majority of the experts, however, opined that loadshedding cannot be overcome unless the whole system is overhauled and professionals are inducted to look after the job while framing long-term policies to rid the country of power crisis.

Investigation revealed that breakdown of one unit of Mangla Power Station and three units at Warsak, which reduced power generation by about 150 MW allegedly due to negligence of WAPDA engineers, were the main reasons of resorting to loadshedding. Besides, drastic fall in supply of diesel to Kot Adu and Kotri thermal stations was another reason for reduced generation of power.

However, timely assistance by the Ministry of Petroleum in arranging diesel for Thermal power stations, saved the situation from further deterioration.

Experts maintain, it is due to national grid system which makes the loadshedding equitable throughout the country.

Many experts disputed the WAPDA chief claim of eliminating loadshedding within the next three years.

Elaborating their contention these technocrats say that at present the country has a total capacity of about 7,500 MW, as against about 9,000 MW demand of power generation.

This 7,500 MW capacity include 3,000 MW from Thermal Power stations (total about 15 Nos.), 3,000 MW from Hydel Power station including Tarbela, Mangla and Warsak and 1,500 MW from KESC. However, this capacity is subject to fluctuation because of water level in the dams.

They say besides this the country needs 10 percent improvement in generation every year to meet the demand.

They also criticised the WAPDA chief for demanding more autonomy and for raising finances through private sector. "These demands cannot solve the problem," they maintain.

The government has recently decided to allow WAPDA to raise funds through loans from private sector and world donor agencies. The cabinet has also decided recently to reinstate a degree of WAPDA's autonomy, as it was maintained by WAPDA on and off that its multi-million projects were often run into snags because of 'redtapism'.

But, an expert asked, "does this autonomy carry accountability."

The non-supply from one unit to consumers inflict a loss of Rs.1.25 to WAPDA whereas loadshedding from one unit causes Rs.10.75 losses to the industrial sector, a research by an independent expert revealed. It was further revealed that last year a total of Rs.800 crore were lost in industrial sector due to WAPDA's loadshedding. Losses to the tune of about Rs.900 crore to the industry are expected during the current fiscal year.

Tracing the history of loadshedding a Ministry of Water and Power source said that the loadshedding started in 1976, two years after induction of non-professional hands at key positions in WAPDA.

Despite ending of loadshedding today the WAPDA has not lifted load management from the country which reflected that its generation capacity is still short of the demand.

Experts say that for total elimination of loadshedding from the country a viable long-term policy by the professionals could solve the problem provided sufficient funds for improving the situation are allocated to overcome the problem.

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